

The NATIONAL UNDERWRITER

**"Twenty Dollars' worth
of pipes and valves . .
*I'm going to build an extra bathroom"***



AS a practical man in the plumbing and heating field, you know what happens to the customer who tries to build his own bathroom with twenty dollars' worth of pipes and valves and a second-hand tub. He risks his home and his family's health. Fortunately, most practical men know this too, so they cheerfully pay for your services as an expert middleman and service man in your field.

When the master plumber or heating engineer buys insurance from an experienced agent or broker of a stock insurance company, he does not say "\$50 worth of insurance, please." He asks for and gets the advice and full services of an expert purchasing agent in the complex insurance field,

like himself an expert middleman in the service field. No worries about uncovered risks that might wreck a business.

* * *

Because we believe so thoroughly in the services of an expert middleman whether plumbing and heating contractor, insurance agent or broker we refuse to accept business direct because it is not in the interests of the Company or the assured to do so. When *you* buy National Surety Fidelity Bonds, Surety Bonds, Burglary or Forgery Insurance through your local insurance agent or broker, you deal with a customer and friend who is a fellow member and supporter of the American Business System.

● This is a reprint of an advertisement of National Surety Corporation which appeared in *Domestic Engineering*, addressed to the independent business men in the plumbing and heating field in your city.

This advertisement has also appeared in a long list of banking and financial publications. It is an effective sales help to our agents and another proof of our belief in and support of the American Agency System as a part of the American Business System.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, President

THURSDAY, APRIL 6, 1939

MEN WITH DREAMS

In San Francisco a bent old man punches a leering time clock with vague defiance and shuffles out into the night, homeward-bound . . .

In Chicago a youthful shoe store clerk flips off the lights and hastily tests the night lock, cursing the long hours that keep him from his family . . .

A siren screeches in Detroit and half a million men in dungarees hasten toward the exits, counting the hours until the morrow's work begins . . .

These men are men with dreams, brothers to millions. They seek not riches, fame or glory — but deep within each heart there burns a silent prayer for freedom, independence and the right to strive, unbossed, for shelter, food and clothing.

Local agents of America, they envy you, these men with dreams, because they know your freedom. They know you have no clocks to punch, no boss except your own ambition. They know that dull routine can never beat you down because your job is ever-different, ever-challenging, reaching out to all the people and all events in your community. They know that few men in any business have the power you have to shape the pattern of your lives.

You have a great calling, you who represent the American Agency System. You are your own bosses. Your initiative never need be throttled by unwanted masters. Your work enriches your community

as well as your own purse. You can meet people at your will. You can come and go as you please and make time serve you rather than be its serf.

All these things, surely, are worth prizing, worth working for, worth trying to improve. Here is a heritage few fathers can bequeath their sons and their sons' sons. Here is America as our fathers dreamed it might be—a nation of free men, each serving his neighbors with the knowledge and skills of an honest guild.

Certainly your freedom and your independence are worth working for!

But let them once be tainted by the sharp practices of unfair trade and time inevitably will prove the fullness of your bondage. The very

things you treasure in your work will vanish.

Worth trying to improve? Yes, for no man and no business can stand still. There can be only progress — or the slow decay that leads to failure. Education. Work. Service. These spell Progress!

Unnumbered men with dreams, trapped by the circumstance of dull labor, envy you today, envy your freedom, your independence, your opportunities. You, who have no cause to dream for what is yours already, have double cause to work with pride to build a stronger, better American Agency System.

You, too, may well be men with dreams!

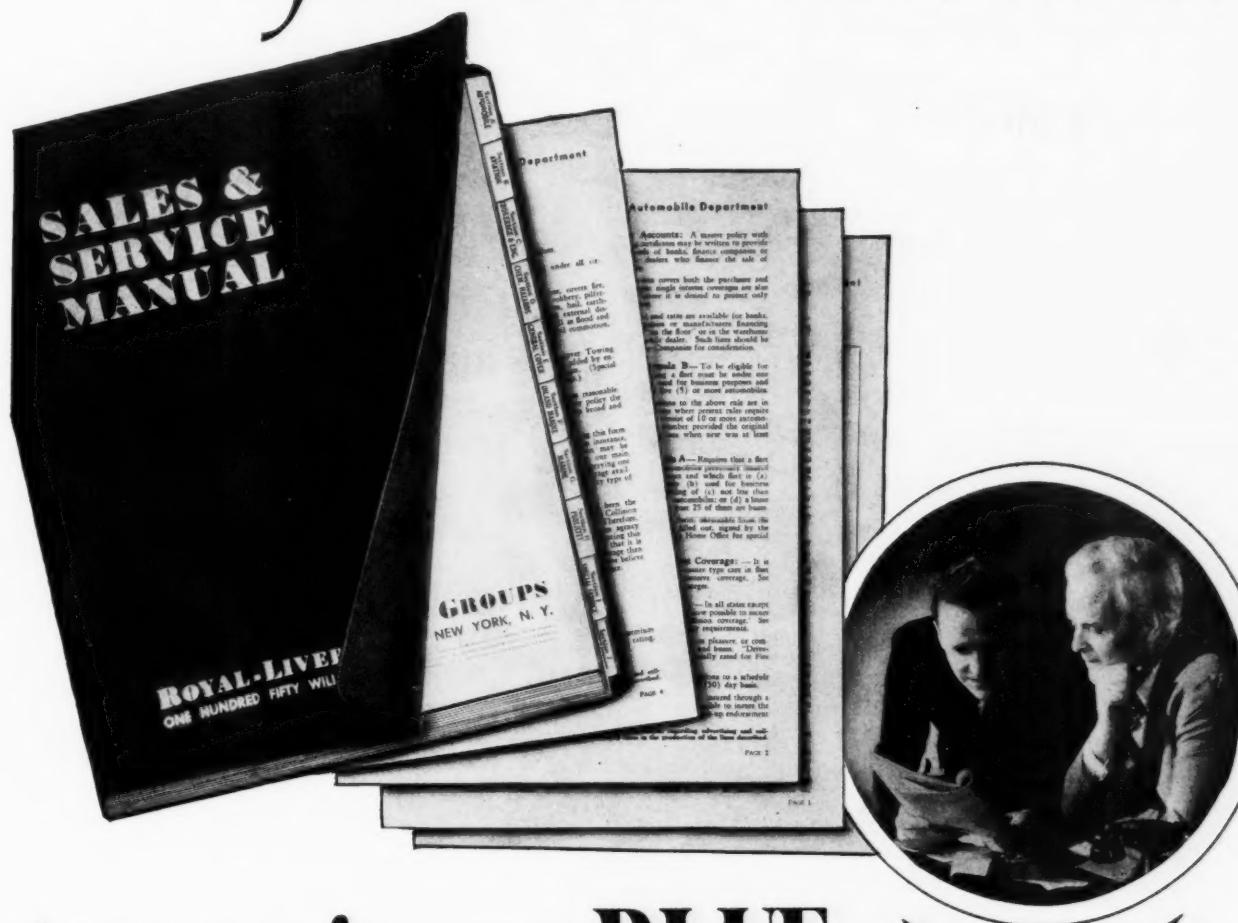


THE LONDON ASSURANCE GROUP

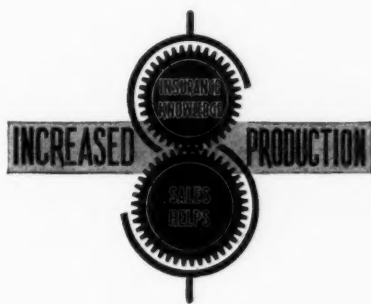
THE LONDON ASSURANCE
THE MANHATTAN FIRE AND MARINE
THE UNION FIRE, ACCIDENT AND GENERAL

99 John Street, New York, N. Y.

You are invited



to examine our BLUE BOOK



That's what our agents call our SALES AND SERVICE MANUAL.

In use from day to day are its one hundred and ninety-odd pages of classified premium-building information—explanations of special coverages, sales and underwriting pointers, illustrated listings of pertinent advertising helps.

It is one of the reasons why progressive agents say that to represent a Company of the Royal-Liverpool Groups means increased production.

We'll gladly ask our fieldman to show you his copy if you'll address

ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

A Message to Garcia



This month marks the 33rd anniversary of the San Francisco fire. When news of the disaster broke and the New York home-office of the "North British" was unable to communicate with its San Francisco office, E. G. Richards, then U. S. Manager, remembered that while on a visit to the Pacific Coast he had met L. M. Cutting and his son Francis, of the L. M. Cutting & Company agency at Stockton, California. Mr. Richards thereupon telegraphed the Cuttings, relaying to them the above instructions he had received by cable from the London head-office.

Immediately upon receipt of the wire Francis Cutting left Stockton for San Francisco to deliver "the Message to Garcia," finally locating the "North British" officials after a search in Oak-

land where they had established emergency headquarters in a local agency.

The claims against the "North British" in this three-day conflagration amounted to \$4,000,000 and were so promptly settled that the Company was included in what the local press called the "Roll of Honor," a list of companies which had met their obligations at once, honorably and without vexatious delay. The "North British" also subscribed liberally toward the relief of sufferers.

So that the funds held by the United States Branch of the "North British" for the protection of other policyholders should not be impaired the head-office of the company in London promptly remitted about \$4,000,000 to New York. The entire organization thus confirmed its standing in the minds of the American public.



North British & Mercantile Insurance Company, Ltd.



1809 - 130 Years of Stability and Enterprise - 1939



The NATIONAL UNDERWRITER

Forty-third Year—No. 14

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 6, 1939

\$4.00 Per Year, 20 Cents a Copy

Records Fall at '39 Spring Conclave

National Solidarity of Agents Called For by Menn

National Association Presi- dent Warns of Mass Buying Threat at Florida Meeting

HOLLYWOOD, FLA.—There never was a time when national solidarity was so urgently needed among insurance agents as now, W. H. Menn, president National Association of Insurance Agents, declared at the mid-year meeting of the organization here this week. The idea of retail buying through middlemen is being dealt severe blows in these times, he said. A new ideology is taking substantial form, that of mass buying—the consumer cooperatives.

The cry in some circles is "eliminate the middle man." People are being induced more and more to buy things wholesale. The federal and state governments are imbued with the idea that self-insurance funds are their logical field, and the federal government also is acting as a "big brother" to farm fire mutuals and urging farmers to patronize them, Mr. Menn said.

Some Insurance Men Misled

The issue has not been sufficiently clear in the minds of some insurance company officials to cause them not to subscribe to mass buying by company employees in some instances.

"The fact that many lines of business may be seriously confronted with government encroachment ought to be sufficient warning to us that the institution of insurance may not always continue unaffected by this adverse influence," Mr. Menn said.

He pointed out that the National Association of Manufacturers, perhaps the greatest business organization in the world, is confronted with disturbing conditions in all lines of business that vitally affect it, and is not remaining silent but is vigorously and constructively meeting changing issues so that the American business structure may not be impaired.

Retailers Lose Billion Sales

The U. S. Chamber of Commerce, watch dog of business, recently reported an estimate of more than \$1,000,000,000 annually purchased by consumers from sources other than the established retail trade. The National Retail Furniture Association through W. J. Cheney, vice-president, recently reported executives of more than 1,800 firms in metropolitan New York, 1,100 in Chicago and 600 in Detroit permit mass buying by their

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Paramount Fire Project Is Bitter Issue in Florida

HOLLYWOOD BEACH, FLA.—The seething waters that have not been apparent to those observing the surface of agency sentiment broke loose here at the mid-year meeting of the National Association of Insurance Agents involving the new Paramount Fire project being promoted to insure mortgage bankers risks where loans have been made. The proposal is to sell stock to mortgage bankers and agents who represent Paramount, all business to be insured fully in Home of New York.

The executive committee gave a special hearing on the subject Monday night, closing the open session at 11 o'clock and then went into executive session lasting until 1:30. It was necessary to hold another because the subject is replete with dynamite and is very touchy. Appearing before the committee to protest were J. D. Saint, Tennessee association manager, Allan I. Wolff of Chicago, Geo. W. Carter of Detroit, W. Owen Wilson, Richmond, Va., F. F. Ludolph of San Antonio, W. B. Calhoun of Milwaukee, D. A. Clark of Sweetwater, Tex., state president.

Paul Kirkpatrick, president Dallas Insurance Board, spoke in high terms of Owen M. Murray of his city, president of Paramount. He is head of the Murray Investment Company and Murray

Insurance Agency, a power in the mortgage banking field. W. E. Harrington, Atlanta, insurance advisor of Paramount and a director, declared that he found the mortgage bankers had decided to organize a mutual. He persuaded them to have a stock company, abide by local board rules and be represented only by members of state associations. Thus the business is to be saved for agents.

The Home was represented by Vice-president Ashby Hill and Secretary M. E. Sprague. It was stated that auxiliary companies are now issuing special policies marked with a "P" for all risks that Paramount will write. These are to be taken over when the company starts.

Paramount was the center of violent attack in lobby and room conversation. Mr. Saint in his talk asserted that if the company were established it meant the twilight for agents as independent contractors and the agency system. The central western conference unanimously protested to the executive committee and urged emphatic condemnation of the scheme. Objection was made to its stock selling procedure whereby agents will procure almost guaranteed dividends to add to their commissions. It was regarded as dangerous that profit

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Hollywood Mid-year Rally Is an Overflow Affair

Local Agents Convention in Florida Is Gay and Colorful

By C. M. CARTWRIGHT

HOLLYWOOD, FLA.—The mid-year meeting of the National Association of Insurance Agents surpassed all previous conventions of similar complexion of the past in the way of registration. The rangy Hollywood Beach Hotel could not accommodate the registrants, so there was an overflow to two or three hotels in the town, a mile or so distant. The local agents from Miami, Ft. Lauderdale, Coral Gables, Hollywood, Miami Beach, Pompano and West Palm Beach constituted the hosts and did a magnificent piece of work.

Roland Hardy, Pompano, is chairman of the general committee, his associates being W. B. Buchanan, Miami, and F. E. Willis, Hollywood.

Executive Committee Meetings

The executive committee held its first session Friday evening, all members being present. Meetings were called for each day thereafter, some being evening gatherings. Chairman Sidney O. Smith of Gainesville, Ga., presided.

A social event of importance Sunday noon was the luncheon to the official family and a few special guests given by Mr. and Mrs. L. L. Sertel and Mr. and Mrs. T. D. Reducka of the enterprising Miami agency of Sertel-Reducka at the swank Surf Club in Miami Beach.

Home of New York officials, Geo. E. Allen, Ashby Hill and M. E. Sprague, entertained at a buffet luncheon Saturday noon at Tropical Park for the official family and former presidents and their families. All were provided with box seats at the races.

Florida State Meeting

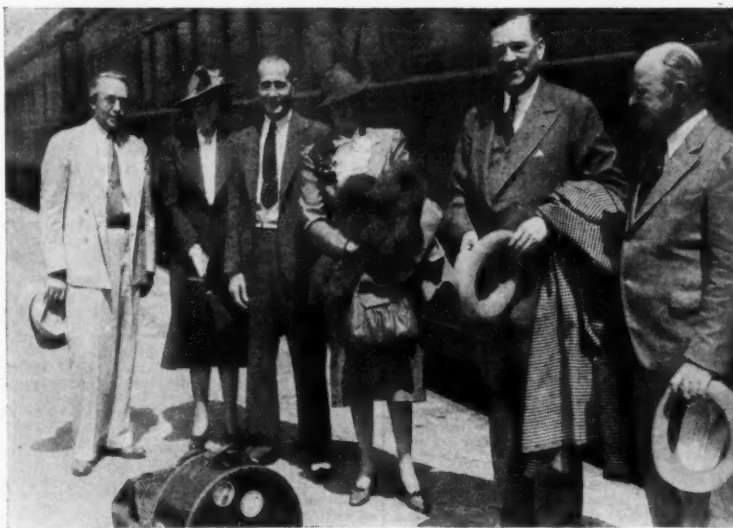
The Florida association held its annual meeting Tuesday, with President O. M. Stallings of Tampa presiding. He served as chairman of the general reception committee of the convention. Secretary A. C. Eifler arranged the program.

The state executive secretaries and managers and local board managers met Monday afternoon.

Tuesday was a decidedly busy day. Aside from the Florida state meeting were the territorial conferences, always most engaging and helpful.

E. J. Cole, Fall River, Mass., presided
(CONTINUED ON PAGE 40)

Advance Guard Welcomed in Hollywood



Advance guard to the mid-year meeting of the National Association of Insurance Agents, at Hollywood, Fla., is met by a local committee upon their arrival at the station in Hollywood. Left to right: Fred E. Willis, Hollywood; Gladys Cole, Fall

River, Mass.; Clyde W. Fawcett, Hollywood; Mrs. W. O. Wilson, Richmond, Va.; Mr. Wilson, past president National association; Roland Hardy, Pompano, chairman general committee in charge of entertainment and recreation.

Florida Agents Reelect Stallings

State Unit Holds Brief Session During National Mid-year Meeting

HOLLYWOOD BEACH, FLA.—The annual meeting of the Florida Insurance Agents Association was held Tuesday. Officers elected are: O. M. Stallings, Tampa, president; Hunter Brown, Pensacola, first vice-president; H. J. Arrant, Miami, second vice-president; L. P. McCord, Jacksonville, national councillor; A. C. Eider, Tampa, manager.

The directors are Vincent Armstrong, Jacksonville; B. D. Cole, Jr., West Palm Beach; N. P. Davis, Ocala; M. C. N. Prew, Sarasota; J. H. Gould, St. Petersburg; F. D. Moor, Tallahassee; J. T. Hull, Orlando.

The following resolutions were adopted: "Whereas, the control of insurance by automobile finance companies has grown to such proportions that the volume of business now exceeds 40 percent of all automobile fire, theft and collision premiums written in the United States, and is approximately 10 percent of the total premium volume written by fire insurance companies in the United States.

Deprives Agents of Commissions

"Whereas, the writing of this business by the said finance companies deprives local agents throughout the nation of commissions thereon and tends to establish a precedent which, if followed to an ultimate conclusion, could reach a point where financing of every kind would carry compulsory insurance written by the financing company, it being then a matter of time when the local agents income will diminish to a starvation point, "Whereas, the control of insurance business through the lending of money is contrary not only to the ethics of the business but the established policies of the insurance commissioners and state insurance departments, also the federal government.

"Resolved, that the Florida Insurance Agents Association record its disapproval of this practice and recommend that the National association at its mid-year meeting adopt a similar resolution of disapproval and follow by such action as will tend not only to cause a discontinuance of writing of insurance by finance companies now in existence, but to prevent the entry of similar organizations in the insurance business.

Opposes Reinsurance Practice

"Resolved and recorded, that the Florida agents association considers the action of capital stock insurance companies who furnish reinsurance to any company organized or to be organized for the purpose of controlling and writing financed insurance, or insurance on mortgaged property, as incompatible with the best interests of insurance agents and companies alike.

"Resolved, that the Florida agents association takes this opportunity to convey to the National association its steadfast belief in the principle of maintaining a united front, believing that in union there is strength and more can be accomplished for the good of the whole by cooperation with each other."

Kansas Adjuster Bill Killed

Drastic bill to regulate insurance adjusters in Kansas that held some threat has now been killed in the lower house. This measure would have required licensing of adjusters, would have limited the handling of losses to those that are residents of the state, would have required agents who do any adjustment work to be licensed as adjusters, etc. The bill is said to have been prompted by a personal experience of one of the influential senators in the tornado in Columbus, Kan., last year.

New Commissioners in Two States Confirmed

LANSING, MICH.—The senate has confirmed the appointment of Col. John G. Emery of Grand Rapids as insurance commissioner, succeeding C. E. Gauss. Although the new commissioner's term officially started April 1, he did not actually take over his duties until April 4 inasmuch as departmental offices were closed on Saturday and on Monday, election day.



John G. Emery

Colonel Emery visited Commissioner Gauss briefly on the final day of the latter's administration, as he was preparing to leave for an air trip to the mid-year convention of the National Association of Insurance Agents in Florida.

UNANIMOUS FOR FISCHER

DES MOINES—The Iowa senate confirmed the appointment of C. R. Fischer for the four-year term as insurance commissioner beginning July 1. There was no opposition. Mr. Fischer is now filling the short term.

May Seek to Unseat Goodcell

The "Evening Herald-Express" of Los Angeles printed a story the other day that the Governor Olson administration of California is seeking to unseat Commissioner Goodcell, either by striking a bargain and offering him a judgeship or going to court in an effort to oust him. Just before Olson took office, Goodcell was confirmed as commissioner by the state senate, thus depriving Olson of the privilege of appointing a commissioner. Certain administration leaders believe that Goodcell is not legally entitled to continue as commissioner and advocate seeking to oust him through the courts, according to the "Herald-Express."

Grant Bulkley to Home Office

Vice-president of Springfield Group Is Transferred from Chicago Office

The Springfield group announces that Departmental Vice-president Grant Bulkley will have his headquarters on and after May 1 at the head office in Springfield, Mass., having been transferred from the western department office in Chicago. Mr. Bulkley's duties in the western department will be assumed by Secretary Magnus E. Peterson.

Vice-president Bulkley's duties will, however, bring him in personal contact with the companies' departmental offices in Chicago, San Francisco, and Montreal at frequent intervals. With his wide underwriting experience covering practically the entire country, Mr. Bulkley is highly qualified to assume his new responsibility of assisting in coordinating and harmonizing the activities of the Springfield group's country-wide organization.

Mr. Bulkley, a son of President George G. Bulkley of Springfield F. & M., was assistant manager in the Coast department until being transferred to Chicago a few years ago.

N. Y. Insurance Code Bill Is Now Before Senate

The voluminous insurance code bill of New York is now before the state senate for consideration. It passed the lower house and Assemblyman Piper explained that any additional amendments will be offered in a separate bill so that the printing cost on the measure will not have to be incurred each time an amendment is submitted.

The Quirk & McAllister general agency of San Antonio, Tex., has been appointed Texas representative of the Western Fire and Western Casualty & Surety of Kansas.

May Recoup Apex "Sit" Strike Loss

Judgment Rendered Against Union May Enable Factory Mutual Recovery

The possibility is seen that the factory mutual companies may recoup the loss of approximately \$140,000 that was paid to the Apex Hosiery Company of Philadelphia in 1937 under the riot coverage on account of damage done to that company's plant by sitdown strikers. The factory mutuals paid \$106,000 on account of damage to about 130 machines and in addition paid about \$33,000 under the U. & O. item.

This week a federal court in Philadelphia gave a verdict of \$711,930 in favor of Apex Hosiery against the American Federation of Hosiery Workers and its president. The jury awarded Apex Hosiery \$82,944 for property damaged by the strikers, \$24,000 for loss of profits, \$102,667 for overhead expenses incurred during the strike, \$21,000 for loss of profits after the strike because the company could not operate until the damage had been repaired, \$4,125 for loss of seasonable merchandise and \$2,574 for the loss of elastic webbing. The total of these amounts was tripled under the Sherman act.

It is stated that liability for paying the damages awarded to Apex Hosiery rests with the union and affects its members only through such assessments as the union may levy. By stipulation of counsel it was decided that the members of the union would not be subject to attachment. This is the largest assessment that has ever been imposed on a labor union in this country. If Apex Hosiery actually is able to recover from the union, it seems certain that the factory mutuals will recover the amount of the loss that they paid.

Underwriters Laboratories Hears Reports, Reelects

A. R. Small, president, and all officers and trustees of Underwriters Laboratories were reelected this week at the annual meeting. C. R. Welborn was continued as secretary and L. B. Headen, treasurer. J. C. Harding, Chicago, executive vice-president Springfield F. & M., continues as chairman of the board.

G. E. Manning, superintendent label service and factory inspection division, reported 66,000 inspections last year with more than 310,000,000 labeled products in use. H. B. Michael, burglary protection engineer, reported 97 percent effectiveness on 16,000 certified burglar alarm systems. R. W. Hendricks, engineer, described the work of his department on the proper location and spacing of sprinklers in rack whisky warehouses.

In addition to Messrs. Harding and Small, the other trustees present were Sumner Ballard, New York, president International and U. S. Manager Scandinavia; G. H. Bell, Chicago, western manager National of Hartford; S. M. Buck, Chicago, vice-president Great American; H. T. Cartledge, New York, deputy U. S. manager Royal-Liverpool group; J. F. Gilliams, vice-president Camden Fire; F. W. Koeckert, New York, U. S. manager Commercial Union; F. D. Lavton, president National of Hartford; W. E. Mallalieu, New York, general manager National Board; P. B. Sommers, president American of Newark, and W. D. Williams, Rockford, Security of New Haven. Paul Rutherford, president Hartford Accident; G. C. Long, Jr., president Phoenix of Hartford, and B. M. Culver, president America Fore, were not present.

Among those attending the luncheon were: A. G. Dugan, retired western general agent of Hartford Fire; Benjamin Richards, manager Underwriters Service Association, Chicago, and D. B. Anderson, retired Laboratories secretary.

THIS WEEK IN INSURANCE

National Association of Insurance Agents is holding its mid-year meeting this week at Hollywood, Fla. **Page 3**

National agents' solidarity demanded to meet threat of mass buying. "eliminate middle man" tendency. W. H. Menn, president, tells National Association of Insurance Agents at Florida mid-year meeting. **Page 3**

Memphis again wins Inter-Chamber fire waste contest. **Page 5**

Sandusky, O., block conflagration estimated to involve \$750,000 insured loss. **Page 10**

Florida Insurance Agents Association, in annual meeting, reelects O. M. Stallings of Tampa as president. **Page 4**

Many topical situations are treated at regional group meetings during agents' convention in Hollywood, Fla. **Page 5**

Vice-president Grant Bulkley of Springfield F. & M. is transferred from the Chicago western department to the home office in Springfield, Mass. **Page 4**

Determined legislative inquiry into the functioning of the Colorado insurance department is launched as an aftermath of the resignation and ouster of Commissioner Cochrane. **Page 15**

Judgment against union in Apex Hosiery sitdown strike may enable factory mutuals to recoup losses paid. **Page 4**

W. H. Roadliffe retires as comptroller of the National of Hartford in its western department. **Page 10**

Insurance Superintendent Lloyd of Ohio explains new agents' qualification order at meeting of Ohio Fire Underwriters Association. **Page 44**

Paramount Fire project constitutes bitter issue at agents' national mid-year meeting. **Page 3**

Alabama supreme court reverses conviction of J. L. Wilkey, Birmingham adjuster, for illegal practice of law; holds burden of proof is on bar association. **Page 21**

New York supreme court issues writ restraining New York banks from purchasing fidelity insurance from London Lloyds. **Page 19**

National Bureau of Casualty & Surety Underwriters is holding a meeting this week to determine whether an attempt should be made to get Employers Liability, General Accident, Continental Casualty and Indemnity of North America to join the bureau. **Page 19**

Favorable response has been received from insurance company organizations and from unauthorized practice of law committees throughout the country to recently formulated statement of principles governing the operation of insurance claim adjusters. It was reported at a meeting of the national conference committee on adjusters in Chicago. **Page 20**

W. Herbert Stewart of Chicago, chairman surety committee National Association of Insurance Agents, gives report at the mid-year meeting. **Page 19**

London Lloyds ouster suit in Illinois heard on appeal; brief filed. **Page 20**

Dinner tendered A. Duncan Reid, retiring president of the Globe Indemnity, is brilliant affair. Continuation of Mr. Reid's management policies pledged at company luncheon. **Page 21**

Memphis Again Wins National Fire Waste Council Award

Detroit, Hartford, Lakewood, O., and Parkersburg, W. Va., Are Class Leaders

WASHINGTON, D. C.—Memphis again has won the grand award in the National Inter-Chamber Fire Waste Contest. Competing with approximately 300 cities, Memphis had the best record among all in fire prevention accomplishments. The contest is sponsored by the National Fire Waste Council, in cooperation with the Chamber of Commerce of the United States. Annual awards are given to cities in seven population classes for the best work done in fire prevention and protection. Winners will receive bronze engraved plaques at the annual meeting of the National Chamber in Washington the first week in May. The winners are: Class I, more than 500,000 population, Detroit; Class II, 250,000 to 500,000, Memphis; Class III, 100,000 to 250,000, Hartford; Class IV, 50,000 to 100,000, Lakewood, O.; Class V, 20,000 to 50,000, Parkersburg, W. Va.; Class VI, under 20,000 (tie), Fremont, Mich., and Valley City, N. D.

Reporting cities had a per capita fire loss of \$1.31 for 1938 as against an average per capita loss of \$1.40 for 1933-1937, a decrease of 6.9 percent. The total fire loss of the reporting cities in 1938 was \$33,000,000. There was a reduction of approximately \$2,000,000 in property loss in the participating communities, compared with their average annual fire waste for the preceding five years.

The contest judges have also announced, in addition to the winners, a list of cities that deserve honorable mention. Honor cities in the first four classes follow:

Class I—Milwaukee, Pittsburgh, St. Louis, Philadelphia and Boston.

Class II—Atlanta, Cincinnati, San Antonio, Providence, Indianapolis, Rochester, N. Y., Louisville, New Orleans, Kansas City, Mo., and Minneapolis.

Class III—Spokane, Wash.; El Paso, Tex.; Wichita, Kans.; New Haven, Conn.; Long Beach, Cal.; Chattanooga, Tenn.; Utica, N. Y.; Oklahoma City; Grand Rapids, Mich.; and Elizabeth, N. J.

Class IV—New Rochelle, N. Y.; Asheville, N. C.; Evanston, Ill.; Fresno, Cal.; Portland, Me.; Racine, Wis.; Pasadena, Cal.; Durham, N. C.; Roanoke, Va.; Lansing, Mich.

Albert Bell Chairman

At the meeting of the National Fire Waste Council at which the results were announced, John O'Leary, chairman of the board of the United States Chamber of Commerce, opened the session. Then the assemblage elected Albert Bell of Atlantic City, chairman of the N.F.P.A., as chairman of the meeting. About 50 attended.

Reports were made by various committee chairmen including T. A. Fleming, National Board, speakers; Dennis Smith, farm department America Fore, Chicago, agricultural; Paul W. Terry, manager Missouri Inspection Bureau, St. Louis, fire, casualty statistics; G. W. Booth, chief engineer National Board, contest grading; Clarence Goldsmith, assistant chief engineer National Board, Chicago, fire service extension; Eugene Arms, manager Mutual Fire Protection Association, Chicago, public information; R. E. Vernor, Western Actuarial Bureau, Chicago, contests.

There was some debate as to whether

(CONTINUED ON PAGE 32)

Standen Is Successor of Late Charles Weller

H. B. Standen, who was appointed secretary North British & Mercantile group in charge of its country-wide brokerage and service, succeeds the late Charles Weller. J. G. Diekmann has been selected as Mr. Standen's chief assistant.



H. B. Standen

Mr. Standen joined British & Foreign in 1916. He went with North British & Mercantile in 1920 after serving in the world war. His connection with the brokerage and service department dates from 1924. He was promoted to assistant general agent in 1930. He has made a special study of general cover, reporting forms and I. U. B. contracts.

Mr. Diekmann is a seasoned North British employee, having joined the organization in 1911. His first connection was with the reinsurance department, subsequently being transferred to the Middle Department, and in 1920 assigned to the brokerage and service department. He was appointed assistant general agent nine years ago.

'Ad' Conference Spring Meet May 16; Annual in Boston

The Insurance Advertising Conference will hold its spring meeting May 16 at the Hotel Pennsylvania, New York City. R. C. Dreher, advertising manager of the Boston, is president of the conference. D. C. Gibson, vice-president Maryland Casualty, chairman of this year's program committee, is in charge of the general program of the meeting. The group sessions of both the life and the fire and casualty members will be given greater prominence. A. A. Fisk, advertising manager Prudential, will be chairman of the life group session. The chairman of the fire and casualty group will be announced later.

The annual meeting of the conference will be held Oct. 1-3 in Boston, just preceding the meeting in that city of the National Association of Insurance Agents.

On April 1, membership of the conference included 143 fire and casualty companies and 14 life companies, a total of 157.

Scan Topical Situations at Group Sessions in Fla.

HOLLYWOOD BEACH, FLA.—The territorial conferences at meetings of the National Association of Insurance Agents followed by the joint session of state officials and national councillors are constructive. They enable smaller groups to discuss problems relating to their respective jurisdictions.

George W. Carter of Detroit presided over the central western agents. Those sitting under the spell of Mr. Carter regard it as most illuminating to listen to his observations. There were three major issues before this conference—countersignature legislation, banks financing insurance premiums and the promotion of Paramount Fire. It was agreed that agency license and countersignature laws should be separate and not joined as found in some states. It was decided to recommend to the executive committee that countersignature laws should provide that only licensed resident agents should countersign policies but that so far as fee or commission for the service is concerned no definite compensation should be set forth. That is a matter of private contract and should be left to the resident agent, the agent that resides outside the state and the company.

Va. and La. Situation

Attention was called to the fact that in the Virginia and Louisiana litigation instituted by the companies the conference favored the provision prohibiting countersignature by a salaried company man but disapproved any regulation of commission to be paid. It was deplored that these trade barriers be set up, thus preventing the free flow of insurance.

If these artificial boundaries are built about the states, it was predicted that eventually the federal government would step in.

Next came the question of the banks that finance premiums writing the insurance. It was stated that once the banks get a taste of blood they become omnivorous. In other words they would soon be writing all classes of insurance. It was voted to ask the executive committee to revamp the conference agreement on appointment of financial institutions as agents in order that there be no misunderstanding as to banks in their premium financing. The banks, it was urged, should remain in their own boundaries and not engage in insurance.

The promotion of Paramount Fire to write the business of mortgage bankers was vigorously attacked, resulting in a

strong resolution of protest to the executive committee urging condemnation of the plan.

McAlister Carson, Charlotte, N. C., presided over the southern conference. The members will ask the southern committee to request the Southeastern Underwriters Association to extend the term rule to all classes of mercantile risks, buildings and contents. It was argued that this will help agents to hold their business and reduce their overhead. It was voted to explore the possibility of applying the term rule to all classes with a few exceptions. It was decided to take up with the respective company committees of Arkansas, Mississippi and Louisiana to have the S.E.U.A. term rules made effective in these states.

The conference went on record as opposing direct solicitation of an assured by a company man unless the agent controlling the line is present, this applying to fire, casualty and surety.

It was suggested that in the future when the S.E.U.A. issues rate reductions, the order be made not retroactive. This proposal is to be referred to the state associations for consideration, hoping that a uniform recommendation can be made at the forthcoming annual meeting.

Brokerage rules, the abrogation of the existing brokerage rule by the Eastern Underwriters Association and the failure of the supplemental coverage to take care of all the damages of the New England hurricane were discussed by agents of the eastern territory under the chairmanship of Edwin J. Cole of Fall River, Mass.

Consultation Is Requested

A letter from Secretary H. Belden Sly of the E.U.A. advised Mr. Cole that the president and two vice-presidents of his organization would be glad at any time to confer with Mr. Cole and any two other agents he might name on all matters of common interest and unanimous pleasure was expressed in acknowledging this offer.

Such wide difference of opinion existed between agents from various states as to what constitutes a reasonable fee for countersigning policies under various conditions that the matter was referred back to each individual state association for study and action but it was agreed that the E. U. A. should be asked to not make changes in brokerage

(CONTINUED ON PAGE 30)

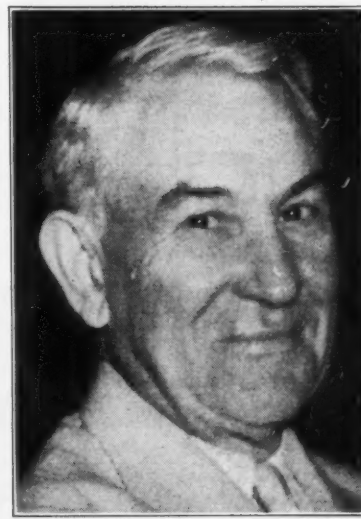
NATIONAL AGENCY LEADERS AT MID-YEAR RALLY



WILLIAM H. MENN, Los Angeles President



SIDNEY O. SMITH, Gainesville, Ga. Chairman Executive Committee



WATER H. BENNETT, New York City Secretary-General Counsel

Goeller Secretary of Benefit Assn.

NEW YORK—J. T. Goeller, secretary London & Lancashire, has been elected secretary of the Insurance Clerks Mutual Benefit Association of New York. He succeeds H. H. Clutia, president of the Northern of New York, who died last November. Mr. Goeller is a newcomer to the association, having been elected a director March 9, along with R. R. Wilde, vice-president of Corroon & Reynolds.

While the association's function is to sell life insurance to fire and casualty employees, and, in recent years, to the public generally, its directorate is composed of prominent executives in the insurance world.

Besides Mr. Goeller the officers are H. N. Kelsey, former president of the Underwriters Trust Company of New York City and before that United States manager of the London & Scottish, who is president of the association; W. M. Tomlins, Jr., vice-president American Surety, and W. F. Beyer, vice-president Home, both vice-presidents; H. A. Witthohn, vice-president Federal, treasurer.

The association, which was organized

in 1872 and placed on a mutual legal reserve basis in 1925 has \$2,419,373 insurance in force, assets of \$419,047, and surplus of \$76,849.

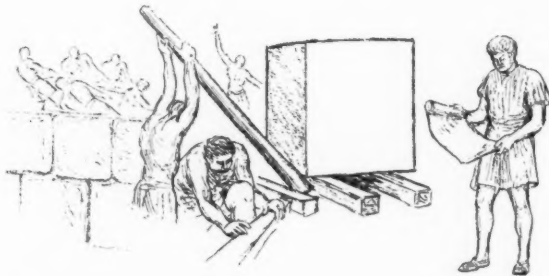
Since 1936 the association has had T. W. Smith, formerly general agent of the Guardian Life of New York in Hartford, as general agent.

Cut Policy Liens

A deficiency of approximately \$200,000 on the basis of the Illinois standard 4 percent table to which the association changed in 1925 was taken care of by lien which has since been reduced to \$37,861. Business has proven very persistent, the loss ratio being less than 5 percent. Since 1926 the association has not limited its policies to insurance employees but takes any risk consistent with its underwriting standards. It writes policies up to \$100,000 although its maximum retention is \$3,000. The minimum policy is \$1,000.

Pacific Coast Agents Unit to Meet in Salt Lake Apr. 14

A meeting of the far west or Pacific coast conference of local agents will be held at Salt Lake City April 14-15 with D. B. Goldsmith, San Diego, Cal., as chairman. Nine states will be represented.



FOR THE AGES

It is a fact that the Home Office building of the Yorkshire in York, England is built upon a Roman Wall dating back to 100 A. D.—the strength of the Yorkshire's physical foundation is truly reflected in the strength of character upon which the organization is built.



Will Wrightem
FIELD CORRESPONDENT

THE YORKSHIRE
INSURANCE CO. LTD

LONDON & PROVINCIAL
MARINE & GENERAL INS. CO. LTD

SEABOARD
FIRE & MARINE AND THE

YORKSHIRE
INDEMNITY CO. OF N.Y.
90 JOHN STREET
NEW YORK CITY

Study Is Made of Premiums Retained and Reinsured

The exhibit presented herewith is an analysis of the premium writings of leading fire companies that refers both to results on a basis of net premiums retained and net premiums reinsured. The companies in this table are those operating in Illinois that in 1938 had total net fire premiums written, before reinsurance, of \$1,000,000 or more. The factory mutual companies are not included. The exhibit this week is the first installment.

In the first line, opposite each company, appears the net fire insurance premiums written, after reinsurance, then in the second column in the first line appears net losses paid and in the third column, first line, the loss ratio on the net retained basis.

In the second line, first, net reinsurance premiums ceded, then in the second column, second line, are the losses paid by the reinsurers and in the third column, second line, the loss ratio on account of premiums reinsured.

In the third line, first column, is given the percentage of net premiums reinsured to net premiums retained.

In the fourth line, first column, is given total net premiums retained, i.e., all classes of business. In the second column, fourth line, is given total net losses paid, all lines, and in the third line is the company's loss ratio on its net retained business, all lines.

In the fifth line, first column, is given the net premiums ceded, all lines. In the second column, fifth line, is given the net losses paid, all lines, by reinsurers; in the third column, fifth line, is the loss ratio on the business reinsured.

In the sixth line, first column, is the ratio of premiums reinsured, all lines, to premiums retained, all lines.

Agricultural	\$3,824,460	\$1,519,181	39.7
	1,530,622	649,163	42.4
	40.0		
	5,786,147	2,476,786	42.8
	2,450,595	1,146,475	46.7
	42.3		
Allemanlia	1,079,229	418,754	38.8
	373,801	121,193	32.4
	34.6		
	1,315,034	536,453	40.7
	467,637	168,174	35.9
	35.5		
Alliance, Pa.	1,484,099	531,917	35.8
	693,660	128,945	18.5
	46.7		
	2,364,322	958,945	40.5
	1,102,450	298,715	27.0
	46.6		
Amer. Alliance	1,453,633	569,696	39.1
	1,848,727	793,084	42.3
	127.1		
	1,901,679	793,356	41.7
	2,392,500	1,072,017	44.8
	125.8		
Amer. Central	1,669,253	626,752	37.5
	1,758,241	703,447	40.0
	105.3		
	2,212,527	904,557	40.8
	2,325,496	969,008	41.6
	105.1		
American Eagle	2,060,604	754,883	36.6
	1,375,793	481,684	35.0
	66.7		
	2,848,268	1,115,789	39.1
	2,296,238	923,233	40.2
	80.6		
Amer. Equitable	3,756,200	1,489,743	39.6
	9,253,489	3,766,666	40.7
	246.3		
	4,540,606	1,884,466	41.5
	11,082,718	4,701,595	42.4
	244.0		
American, N. J.	8,893,881	3,529,857	39.6
	2,291,381	1,051,709	45.8
	25.7		
	13,049,153	5,945,550	45.5
	4,181,732	1,621,793	38.7
	32.0		
Amer. Reserve	2,704,100	1,396,965	50.8
	1,374,185	559,517	40.7
	50.8		
	3,062,508	1,566,066	51.1
	1,474,857	673,622	38.8
	48.1		
Amer. & Foreign	406,842	215,794	53.0
	811,549	386,291	47.5
	199.4		
	1,006,576	583,335	57.9
	1,625,757	920,679	56.6
	161.5		
Aetna Fire	12,131,717	4,375,395	36.0
	1,281,082	275,554	21.5
	10.5		
	21,877,384	9,568,517	43.7
	2,905,319	1,850,761	63.7
	13.2		

Balt. American	1,627,689	659,652	40.5
	1,216,121	482,434	39.6
	74.7		
	2,243,392	1,134,391	50.5
	1,778,050	737,724	41.4
	79.2		
Bankers & Shippers	1,638,913	601,921	36.7
	697,026	252,367	36.2
	42.5		
	3,708,658	1,689,362	45.5
	808,566	294,676	36.4
	21.8		
Boston	2,918,525	1,156,086	39.6
	1,123,950	466,120	41.4
	38.5		
	4,863,459	2,175,276	44.7
	2,080,756	1,289,407	61.9
	42.7		
Buffalo	1,845,259	687,209	37.2
	592,616	218,123	36.8
	32.1		
	2,217,425	836,293	37.7
	747,776	279,012	37.3
	33.7		

(CONTINUED ON PAGE 32)

Sees Upward Trend in Losses

NEW YORK—Reasons for the low burning ratio during the past five years, according to Prentiss B. Reed, a well known adjuster of this city, who spoke before the Suburban New York Field Club on Monday, are improved building construction, motorized fire apparatus and the fire safety campaigns. The average loss per each \$100 of insurance written was 50 cents some years ago, but today it is just half that figure, he said. Rates, however, have been cut accordingly. While predicting that the high loss records of earlier years are not likely again to be encountered, Mr. Reed expects the trend to be upward.

Chicago Salvage Company Makes Secretarial Change



W. R. TOWNLEY

John McGregor, assistant general manager of Underwriters Salvage Company of Chicago, has now been elected secretary, succeeding W. R. Townley, who becomes secretary emeritus. Mr. Townley is a veteran in the insurance field in Chicago and has served as secretary of the salvage company for a good many years. The other officers were reelected. The president is John C. Harding, executive vice-president of Springfield F. & M. C. W. Ohlsen, western manager of Sun, was elected a director succeeding John F. Stafford.

CLEVELAND—The Insurance Bowling League of Cleveland completed its season with the Western Factory team winning first place in a playoff with James & Manchester. Western Factory is the first team to win a cup a second time.

New president is E. W. Beutler, Western Adjustment.

THE *Golden Gate* INTERNATIONAL EXPOSITION

ON NEWLY CREATED TREASURE ISLAND IN SAN FRANCISCO BAY.

The "Pageant of the Pacific" Presents a World in Miniature.



Firemen's Insurance Company of Newark, N. J.
 The Girard Fire & Marine Insurance Company
 National-Ben Franklin Fire Insurance Company
 The Concordia Fire Insurance Co. of Milwaukee
 Milwaukee Mechanics' Insurance Company
 Pittsburgh Underwriters • Keystone Underwriters
 The Metropolitan Casualty Insurance Co. of N. Y.
 Commercial Casualty Insurance Company

FIRE • MARINE • CASUALTY • SURETY

Loyalty Group
 INSURANCE

Western Department
 844 Rush St.
 Chicago, Illinois

Canadian Dept.
 461 Bay St.
 Toronto, Canada

HOME OFFICE
 10 PARK PLACE
 NEWARK, NEW JERSEY

Southwestern Dept.
 912 Commerce St.
 Dallas, Texas

Pacific Department
 220 Bush St.
 San Francisco, Calif.



... knows there's no substitute for 229 years of underwriting experience, and the common sense which cuts red tape to a minimum and increases the efficiency of his service.

It has paid leading agents to represent Sun Insurance—the oldest insurance company in the world—through successive business generations.

Founded 1710

Sun
Insurance Office
LIMITED

PATRIOTIC INSURANCE CO. OF AMERICA
SUN UNDERWRITERS INS. CO. OF N. Y.
SUN INDEMNITY CO. OF N. Y.

NEW YORK: 55 Fifth Avenue
Chicago: 309 W. Jackson Boulevard
San Francisco: Sweet & Crawford, Gen'l Agts.

AS SEEN FROM CHICAGO

W. U. A. PROGRAM IS COMPLETED

The committee on order of business, W. N. Achenbach, Aetna Fire, chairman, has completed the program for the annual meeting of the Western Underwriters Association in White Sulphur Springs, April 18-19. E. G. Frazier, Springfield F. & M., will lead off with a report from the membership committee. J. M. Thomas, president National Union, will read a memorial for the late Frank C. Hatfield, who was a vice-president of Phoenix of Hartford. S. M. Buck, Great American, president of W. U. A., will give his address. John C. Harding, Springfield F. & M., will report as chairman of the governing committee; E. A. Henne, America Fore, arbitration committee; C. W. Ohlsen, Sun, grievance; W. P. Robertson, North America, finance.

A. F. Powrie, Fire Association, will give the report for the Chicago committee, and also for the committee on loss adjustments—Cook county. W. K. Maxwell, Hanover, will report for the committee on cooperation in loss adjustment practices; G. C. Long, Jr., Phoenix of Hartford, inland marine; J. C. Harding, public relations; E. M. Schoen, Atlas, maps; Mr. Achenbach, uniform forms; C. H. Smith, Hartford, Uniform Printing & Supply Co.; Mr. Harding, Central Traction & Lighting Bureau; Mr. Harding, fire protection engineering, and Mr. Powrie, arrangements. The final order of business is nomination of officers.

GHEEN IS BIG ATTRACTION

With Jimmie Gheen, humorist and philosopher, as the attraction, the luncheon meeting of the Adjusters Association of Chicago Tuesday was attended by more than 100. Mr. Gheen held his audience closely. He is a personal friend of H. H. Moore, Underwriters Adjusting, president of the Adjusters Association. A number of special guests were invited. At the head table were seated: C. F. Thomas, manager Western Underwriters Association; H. A. Clark, western manager Firemen's and president Western Insurance Bureau; T. A. Pettigrew, manager Underwriters Adjusting; C. J. Munn, manager Cook County Loss Adjustment Bureau; Paul Cregan, western loss superintendent Security of New Haven, who just resigned as president of the Western Loss Association because he is being transferred to the head office of Security; Otto Voss, Firemen's, new president Western Loss Association; T. F. Charlton, Underwriters Adjusting, secretary Adjusters Association.

The next meeting of the Adjusters Association is the annual conclave. Mr. Moore appointed as chairman of the nominating committee Arthur Borchers, independent adjuster, and as chairman of the auditing committee George O'Donnell, independent adjuster.

PHOENIX REGIONAL RALLY

The western department of the Phoenix of Hartford group just concluded a series of regional meetings in Chicago, Kansas City and St. Louis.

Vice-president G. W. Holton presided at all three meetings. Also present from the home office and taking part were Roy E. Eblen, secretary, and P. W. Scheide, assistant secretary. Manager W. H. Potter, Jr., and State Agents Thomas Collins and W. G. Curry arranged the programs in their respective cities.

BROKERS ACQUISITION COST GROUP

W. J. Robbins, chairman acquisition cost committee Insurance Brokers Association of Illinois, resigned due to other activities requiring his attention and has been replaced by two fire and casualty acquisition cost committees. A. T. Graham, association vice-president, heads the fire committee, other members being G. A. Seaverns, Jr., and J. H. Moore. T. F. Coleman is chairman of the casualty

committee and other members soon will be named. The latter group will meet with E. J. Schofield, chairman casualty and surety acquisition cost conferences, when he goes to Chicago to discuss the plans being shaped in the east to stabilize casualty acquisition costs in that city. The fire committee will cooperate with the Chicago Board in working out an acceptable plan.

Mr. Robbins this week broadcast a letter to many insurance men in which he was identified as chairman of the "Green for Mayor Insurance Club," backing Dwight H. Green for Chicago mayor on the Republican ticket.

TO HOLD B. D. MEETINGS APRIL 20

Store and dwelling tariff, comprehensive automobile policy and rent insurance will be covered at the second of a series of Business Development meetings sponsored by the Cook County Field Club which will take place April 20.

Places of meeting have been selected for the north and west sides: The New Lawrence Hotel on the north side and the Graemere Hotel on the west side, respectively. The place of the south side meeting is yet to be selected.

The first of the series was held last month and it was marked with a great deal of success. The purpose of the meetings is to acquaint producers with the main services and forms of insurance coverage so that they may more capably serve policyholders and prospects.

MARINERS SEE WATERWAYS FILM

"Our Inland Waterways," an educational film based on various types of water carriers, was shown by the Inland Waterways Corporation at a meeting of the Mariners.

D. M. Ladd, special agent Federal Bureau of Investigation, will speak at the next meeting of the club which will be held at 6 p. m. at the La Salle Hotel on May 1. He will show the film, "You Can't Get Away with It." This meeting is open to all who desire to come, Skipper Robert Maxwell announced.

Two appointments of committees, executive and entertainment, were made by Skipper Maxwell. R. M. Simpson, Transportation, was named chairman of the executive committee and Roy Eubauer, Firemen's, chairman of the entertainment committee.

Laboratories Seal Misused

In directing the Lux-Visel Company, Inc., of Elkhart, Ind., to cease and desist from misrepresentations concerning its electric water heater, the Federal Trade Commission at Washington states that this concern has been making improper use of the name of Underwriters Laboratories.

"For the purpose of misleading purchasers, it was found," the order states, "pictorial representations of the heater were circulated, accompanied by the statement 'Underwriters Laboratories Seal of Approval' in large prominent letters, below which appears in small type 'is on the 8-foot cord of every' and below this again in large prominent letters 'Lux Electric Water Heater.'"

Stryker with National American

OMAHA — Ray F. Stryker, once president of the Junior Chamber of Commerce and former insurance man here, has been named vice-president of National American Fire of Omaha. He returned here Sunday from California, where, since June 1, 1938, he had been in charge of the insurance department of Coldwell, Cornwall & Banker, Los Angeles. He is a past president of the Omaha Association of Insurance Agents. Announcement of the appointment was made at a luncheon by J. E. Foster, president of National American.

F A M O U S A M E R I C A N H O M E S



I N THE spring of 1846 Edgar Allan Poe and his wife, Virginia Clemm, went to live in Fordham, Westchester County, New York. Their home was a quaint cottage in a large yard, in which were many fine cherry trees and a profusion of beautiful flowers. This was the one bright spot in Poe's sombre life and it was here that he was inspired to write "The Raven," "Annabelle Lee," "Eureka," and "Ulalume." The cottage was hauled into the garden of M. Cauven, his neighbor, when Kingsbridge Road was widened, and at that time commanded a wide view to the north; while all about were open fields.

A steep ladder-like staircase admitted to the room under the roof, which was Poe's study, and a small bedroom occupied by Mrs. Clemm, his wife's mother. On the

first floor were two rooms and an entry; one was occupied by the invalid wife and the other, a fair sized living room, had a huge brick fireplace adorned with crane and andirons. The only other occupants were a

bobolink and Cattarina, the cat, affectionately called by Poe, "Kate."

Poe's wife died on January 30, 1847, and but a few friends gathered about her grave in the Old Dutch Churchyard in Kingsbridge Road; Poe wearing the same military coat that had covered his wife in her last illness, —the old garment of his West Point days.

★ ★ ★

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.



The HOME INSURANCE
COMPANY
NEW YORK

"LOST and FOUND"

is the title of Alliance national advertising for April. The advertisement simulates an imaginary "Lost and Found" newspaper item which reads:-

"LOST"—in Tuesday's sudden windstorm—Everything we own! Jim Smith & Family, 53 W. Walnut Street."

The "Found" portion of the advertising text points out, that by supplementing Fire Insurance *now* with the dependable *added* safeguard of Alliance Extended Coverage Endorsement you will never have to share in windstorm's losses.

It is suggested that for details of protection available in the reader's area, he should

"ASK THE ALLIANCE AGENT"



THE ALLIANCE INSURANCE CO. of PHILADELPHIA

Head Office: 1600 Arch St., Philadelphia
New York Office: 99 John St., New York City
Chicago Office: 209 West Jackson Boulevard
San Francisco Office: 222 Sansome Street

Sandusky Insured Loss Set at \$750,000

Many Department and
Other Stores in Ohio Block
Conflagration Are Guttled

Insurance loss in the burning of a downtown block in Sandusky, O., last week is conservatively estimated at about \$750,000, with the physical loss about \$1,000,000, but the insurance loss may run as high as the latter figure, according to estimates of some insurance men.

This was the worst conflagration in Sandusky's history. M. L. Brownlow, manager Underwriters Salvage, Chicago, who inspected the loss, reported salvage was almost nil in the buildings burned. Fire departments from Fremont, Norwalk, Bellevue and Huron were called to help the Sandusky department, and it was necessary to stretch hose from Sandusky Bay, 1,000 feet from the heart of the fire, to supplement the city's water supply.

Strong Wind Added Factor

The fire started from an unknown cause about 4:30 a. m., in the basement of the M. R. Herb Company department store and, fanned by a west wind, spread along Market street, also totally destroying the McClellan 5 and 10 cent store, Sears, Roebuck & Co. store, Cohn department store and apartments, and several other stores. The block involved is bounded by Market, Wayne, Water and Columbus.

Participation by companies was not
(CONTINUED ON LAST PAGE)

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business April 3, 1939

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	104	107
Aetna Fire	10	1.60	43	45
Aetna Life	10	1.35*	28 1/2	30
Agricultural ...	25	3.25*	73	77
Amer. Alliance ...	10	1.20*	22	23 1/2
Amer. Equitable ...	5	1.00	23	25
Amer. Home ...	10	...	6 1/2	8
Amer. (N. J.) ...	2.50	.60 1/2	12 1/2	13 1/2
Amer. Surety ...	25	2.50	47	49
Automobile ...	10	1.30*	32	34
Balt. Amer. ...	2.50	.30*	5 1/2	6 1/2
Bankers & Ship ...	25	5.00	91	94
Boston ...	100	21.00	600	615
Camden Fire ...	5	1.00	20	21 1/2
Carolina ...	10	1.30	24	26
Contl. Cas. ...	5	1.60*	31 1/2	33
Contl. N. Y. ...	2.50	1.80*	30 1/2	32
Crum & Forster				
Com.	10	1.00	25	27
Employers Reins.	10	1.60	49	51
Fidelity-Phen. ...	2.50	1.80*	31	32
Fire Assn. ...	10	2.50	62	64
Firemens (N.J.) ...	5	.30	9	9 3/4
Franklin ...	5	1.40*	27	28 1/2
Gen. Reinsur. ...	5	2.00	38	40
Glens Falls ...	5	1.60	38	40
Globe & Repub. ...	5	.50	11	12 1/2
Gt. Am. Fire ...	5	1.20*	22 1/2	25
Gt. Am. Ind. ...	1	.20	9 1/2	10 1/2
Halifax Fire ...	10	1.00**	21	23
Hanover Fire ...	10	1.60	26	27
Hartford Fire ...	10	2.00	72	74
Hartford St. Bldg.	10	1.60	53	55
Home Fire Sec. ...	10	...	1 1/2	1 7/8
Home Ins. (N.Y.) ...	5	1.60*	29	30
Home Indem. ...	3	...	9	...
Ins. Co. of N. A. ...	10	2.50*	64	66
Lincoln Fire ...	5	...	2 1/2	3
Maryland Cas. ...	1	...	3 1/2	3 5/8
Mass. Bonding ...	12.50	3.50	55	57 1/2
Merch. com. (N.Y.) ...	5	1.70*	44	47
Natl. Cas. ...	10	1.20*	24 1/2	26
Natl. Fire ...	10	2.00	57	59
Natl. Liberty ...	2	.40*	7 1/2	7 3/4
Natl. Union ...	20	5.00*	122	124
New Am. Cas. ...	2	.65	11	12
New Hampshire ...	10	1.80	44	46
Northeastern of				
Hartford ...	5	...	4 3/4	5 1/4
Northern (N.Y.) ...	12.50	5.00*	93	96
North River ...	2.50	1.20*	24 1/2	26
N. W. Natl. ...	25	5.75*	125	130
Phoenix, Conn. ...	10	2.50*	74	76
Preferred Accd. ...	5	1.00*	17	18 1/2
Prov. Wash. ...	10	1.40*	31 1/2	33
Republic, Tex. ...	10	1.20	24	26
St. Paul F. & M. ...	25	8.00	218	224
Security, Conn. ...	10	1.40	31	33
Sprgfd. F. & M. ...	25	4.75*	109	113
Travelers ...	100	16.00	440	455
U. S. Fire ...	4	2.00	51	53
U. S. F. & G. ...	2	.25	19 1/2	21
Westchester Fire ...	2.50	1.60*	31	32

*Includes extra. **Canadian funds.

W.H. Roadifer Retires After 47 Years

Comptroller of National
Fire Group Honored by
Long-Time Associates

W. H. Roadifer, after nearly 47 years with the western department of the National Fire group, the last 17 as comptroller, has retired. This announcement was made by Manager G. H. Bell, at a dinner for Mr. Roadifer.

In the late '80's when Mr. Roadifer was in his teens and lived in the small country town of Chebanse, Ill., he horrified his parents by asking permission to join a traveling theatrical company. He said it was either that or a job in Chicago. Even though this latter was not by much the lesser of the two evils in their eyes, his parents permitted him to brave the dangers of the city.

There he started with H. M. Rosenblatt & Co. as a bundle boy. One of his co-workers, who thought he deserved a better fate and who had a brother with an insurance company, arranged an interview that resulted in a job as mail clerk with Continental. He stayed only a little over a year; in June, 1892, he joined the National as bookkeeper and cashier—a very responsible position in those days for a boy just past 20.

Helpful To Others

In every large company there seems to be one older man, usually the one responsible for employment, or the head of a large department, who has a reputation for gruffness—but who turns out to be kindly, friendly and sympathetic. Younger employees may take days to work up enough courage to go in to discuss some problem with him, and when they finally do so are amazed at his kindness, his interest, his understanding. Such a man is Mr. Roadifer, and his fearsome reputation amuses no one as much as himself.

For 46 years he grew with his job and his company. As the accounting department grew in size and complexity, as the classifications and rating methods and tabulating problems of fire insurance recording reached almost incomprehensible proportions, as the number of employees of the western department of the National Fire group swelled toward 300, so his responsibilities increased, but never beyond his capacity.

Many Pay Tribute

The dinner was attended by 50 of the older employees, department heads and field men of the western department. President F. D. Layton went from Hartford to express the good wishes of the home office and to record appreciation of Mr. Roadifer's fine record of useful service. Mr. Bell presided. Remarks were made by several of the older department heads and field men. Assistant Manager L. R. Hanawalt presented Mr. Roadifer, on behalf of employees of the western department, a wardrobe traveling bag and a Philco traveling radio. Earlier in the day the women had presented him a fine pair of binoculars.

Mr. Roadifer, in his response, expressed his mixed feelings of pleasure and sorrow—pleasure at the release from work and responsibility and sorrow at severing ties of so many years standing. He stated that while it was an old adage that corporations had no souls, he was quite convinced, from his service with the National, that the management of that corporation did have a soul.

Mr. Roadifer plans to leave Chicago early in April for a motor tour to the Pacific Coast with Mrs. Roadifer.

Mutual Associates, Inc., has been incorporated in Minneapolis with \$25,000 authorized capital to conduct a general insurance business. Incorporators are W. L. Kullberg, W. P. Budge, and J. Koch, all of Minneapolis.



THE agent or broker who places his clients' insurance in a capital stock company knows that he is providing the most dependable protection money can buy.

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 of Hartford, Connecticut
 AFFILIATED WITH THE AETNA LIFE INSURANCE COMPANY

NEWS OF FIELD MEN

Extended Cover Changes Explained

DENVER — An explanation of new rates on the extended coverage endorsement, just effective, a report on an elaborate educational campaign planned by the agency advisory committee and a legislative discussion featured the monthly meeting of the Mountain Field Club.

The extended coverage change, explained Walter Kulp, Mountain States Inspection Bureau, applies only to dwelling property in Colorado and Wyoming and not in New Mexico. The rate under this endorsement for dwellings in the two states has been reduced from 18 cents to 12 cents. Windstorm rates on the same class have been cut

in the new form from 16 to 10 cents. The greatest extended coverage hazard in this territory is hail, and each dwelling, regardless of its relative value, presents approximately the same hail exposure. Hence, there is now a \$3 annual minimum premium for fire and extended coverage. The same minimum applies to windstorm and hail and to combined fire, windstorm and hail policies. The windstorm and hail rate for roofs only has been reduced from \$2.04 to \$1 but the new rate is not subject to coinsurance credits.

To Hold Series of Meetings

The agency advisory committee has completed plans for an extensive spring and summer educational program, Carl V. Rutledge, Colorado chairman, reported. More than 150 agents are expected at the first meeting at Pueblo

May 3. The next meeting will be a week later at Ft. Morgan, followed by meetings at Salida, Grand Junction and one other city.

Frederic Williams, secretary Rocky Mountain Fire Underwriters Association, reviewed legislative developments in Wyoming and New Mexico, outlining the defeat of adverse legislation in both states.

A. H. Johnson, First Banccredit in Detroit, talked on premium financing.

Michigan Blue Goose in Farewell to Hubbell

DETROIT—Seventy-three members of the Michigan Blue Goose bade farewell to J. J. Hubbell, state agent Security of New Haven until his recent elevation to general agent at the home office, at a luncheon here. W. H. Wolf, American of Newark, most loyal gander, presided and W. T. Benallack, secretary Michigan Fire & Marine and welder, was honkmaster.

Among the speakers were E. T. Tanner, executive assistant of the Security, who represented the companies at the luncheon; Henry Walters, dean of the Michigan insurance bar; G. R. Edleman, Home, president Michigan Fire Underwriters Association; O. M. Henn, manager Michigan Inspection Bureau; Henry Bogue, manager Michigan Audit Bureau; Robert Olp, vice-president Dearborn National, who spoke for the local companies, and O. D. Wiche, state agent Phoenix of England, past president Michigan Fire Prevention Association, of which Mr. Hubbell has been assistant secretary for several years. Mr. Wiche presented an engraved wrist watch on behalf of the Michigans.

Honkmaster Benallack, who in addition to being the oldest living past most loyal gander of Blue Goose, is Blue Goosedom's poet laureate, composed and read some verses to Mr. Hubbell.

Roy Carlson Heads Field Group in Pennsylvania

Newly elected officers of the Pennsylvania Field Club, Harrisburg, Pa., are Roy Carlson, American of Newark, president; G. S. Harding, Northern Assurance, vice-president; R. A. Dwyer, National of Hartford, secretary; John Brown, Royal Exchange, treasurer. The June outing was discussed and plans were formulated for a definite program during the coming year. The next meeting will be held May 8.

Plan for Speaking Campaign

Preparations are being made by the Ohio Fire Prevention Association and Ohio Stock Fire Insurance Speakers Association to have a number of speakers address various organizations throughout the state on the subject of fire prevention. M. F. Johnson, Rhode Island, is chairman of the committee in charge. William Egel, Yorkshire, addressed the Kiwanis club at Lisbon this

week. A town inspection will be held in Lisbon April 20. April 13, B. C. Curran, Continental, will speak before the Parent-Teacher Association at Hillsiards, O.

Fischer and Goodall Are Honored at Pond Dinner

INDIANAPOLIS—Louis J. Fischer, Indiana state agent Home, who goes to Chicago May 1 as assistant manager, was presented a wardrobe suitcase at a testimonial dinner here sponsored by Indiana Blue Goose. George W. Mercier, Hanover, most loyal gander, presided and D. G. Kaga, Atlas, made the presentation. A number spoke briefly.

A. R. Goodall, recently appointed state agent New York Underwriters for Iowa, also was honored at the testimonial dinner but could not attend. A desk set was displayed which was to be sent to him. Mr. Mercier introduced A. E. Bulau, who is being transferred to Indiana to succeed Mr. Fischer. Both Messrs. Fischer and Bulau responded.

At a business session of the pond five goslings were initiated. A golf tournament to be held at the Indianapolis Country Club, May 15, was announced.

Johnson Heads Mountain Unit

DENVER—Herbert Johnson, special agent of the New Zealand, was elected president of the Direct Reporting Field Men's Association at the annual meeting. The vice-president is Carl V. Rutledge, North British & Mercantile, and secretary is Preston E. Heath, National of Connecticut. New members of the governing committee are W. E. Newcomb, Commercial Union, and Roy G. Harris, Hartford Fire.

Knox Joins Globe & Rutgers

Arthur S. Knox will join the field staff of the Globe & Rutgers and the American Home April 15 as special agent for Connecticut, with headquarters in Hartford. He also will have supervision over western Massachusetts and Vermont. His father, the late John B. Knox, was an official of the Phoenix of Hartford for some years prior to his death, and several brothers are now active in agency work.

Ferry Takes St. Louis

St. Louis and St. Louis county, which have been handled direct by W. G. Shipe, general agent, Chicago, for both the New Hampshire and Granite State, have now been turned over to H. C. Ferry, who has been state agent for both companies in the remainder of Missouri for several years.

Plan Four Iowa B. D. Meetings

At the Iowa Blue Goose luncheon it was announced four Business Development meetings are scheduled: Spencer April 12; Ottumwa April 18; Burlington April 19; Davenport May 4. C. S. Cathcart, Des Moines, former Home



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special agent, is in charge of the Spencer meeting; E. H. Davis, Des Moines, Iowa state agent Home, in charge at Ottumwa; W. H. Harrison, Des Moines, state agent National of Hartford, in charge at Davenport, and J. W. Hull, Des Moines, state agent Continental, in charge at Burlington.

American Names McIlwain, Opens New Field Office

Appointment of Lawrence McIlwain as special agent in southern Illinois and opening a field office in Bloomington, Ill., were announced by American of Newark.

Mr. McIlwain goes to the American after 15 years with the Illinois Inspection Bureau. He will be located at 728 Pierce Building, St. Louis, Mo.

Special Agent L. E. Knauber is being transferred to the new office, which will be located in the Rogers Hotel Building, 116-122 East Grove street, Bloomington. He will be assisted by Special Agent R. H. Whitchurch.

Establishment of this office was made to enable the company to give better service to agents in central Illinois.

Name Iowa Executive Committee

D. L. Fischer, newly elected president of the Iowa Fire Prevention Association, has appointed on the executive committee J. H. Buntin, Fire Association; F. E. Brake, Great American; W. H. Harrison, National; L. A. White, Royal, and Wesley Volz, Fireman's Fund. April 26 is set as a tentative date for inspection of Charles City.

South Jersey-Philadelphia Dinner

The South Jersey Field Club is joining in the dinner in Philadelphia April 17, sponsored by the Underwriters Club there and the Philadelphia agents' organizations, when H. K. Schauffer of the National Board speaks on "Building Tomorrow's Premiums."

Attorney Is N. H. Speaker

Fred W. Branch of Thorp & Branch, insurance attorneys, will address the Mountain Field Club in Manchester, N. H., April 11, on affairs in connection with insurance.

Dougherty to Salt Lake City

Rodger W. Dougherty has been appointed special agent of the Firemen's group in the Salt Lake City office under District Manager Decker Little. He has been at Pacific department headquarters in San Francisco.

Fresno Ceremonial May 5-6

The annual ceremonial and outing sponsored by Fresno puddle of San Francisco Blue Goose will be held May 5-6.

The San Francisco pond will hold its annual golf tournament June 3 at the Mt. Diablo Country Club.

John F. Sullivan Resigns

John F. Sullivan of Seattle has resigned as special agent for Crum & Forster, covering western Washington.

NEWS BRIEFS

Arthur E. Turnquist, state agent for Minnesota and western Wisconsin for Union Fire of Paris, has moved his office to the Joyce Insurance building, 92-94 East Fourth street, St. Paul.

The Missouri Fire Underwriters Association will meet April 12-13 at Columbia. W. B. Winchell, North British, Kansas City, will preside.

The Michigan Fire Prevention Association inspected Niles. R. E. Vernor, Western Actuarial Bureau; Charles Hesketh, Glens Falls, and C. B. Kingman, Standard of N. Y., spoke.

At a meeting this week of the Ohio Stock Fire Speakers Association, R. B.

Sherman, Northern of London, spoke on the new business interruption form.

Terre Haute, Ind., will be inspected April 19 by the Indiana Fire Prevention Association. J. Burr Taylor, Western Actuarial Bureau, will speak.

The Wisconsin Women of the Blue Goose held their monthly luncheon meeting and bridge in Milwaukee with an attendance of about 40.

Under the auspices of the Wisconsin Fire Underwriters Association, the motion picture film "Fire Control" was shown in Milwaukee. Members of the Milwaukee Board, their solicitors and others interested were guests.

The Nebraska Fire Prevention Association will inspect Plattsmouth April 20.

G. H. I. Hobson of Hobson, Church & Co. addressed the British Columbia Blue Goose in Vancouver on "The Orient and the Isles of the Sea."

J. Burr Taylor of the fire prevention department of the Western Actuarial Bureau will address the DeKalb County Firemen's Association Thursday evening at Shabbona, Ill. He will speak before a school assembly in the afternoon.

R. W. Stevens, firm member in Marshall & Stevens, valuation engineers of New York, Los Angeles and San Francisco, is in Chicago visiting the branch in charge of A. J. Tierney. He will remain there for some time.

NEW YORK

FORM ANCHOR CLUB BRANCH

About 25 members of the Knights of Columbus who are engaged in the insurance business are organizing a branch of the Anchor Club of America in New York City. Further organization details will be worked out at a meeting April 27.

Temporary officers are: Capt. J. H. J. Lannen, State Insurance Fund, chairman; Harry Jones, Johnson & Higgins, secretary, and J. J. Gately, Fireman's Fund, treasurer.

STUDY EFFECT OF NEW SCHEDULE

Experts of the New York Fire Insurance Exchange are making a close study of the results obtained by application of new rating schedule for fire-proof mercantile risks in the territory. When the classification is finished, it will be comparatively easy for the insurance department, which is keenly interested, to review the experience on the other and far less numerous classes. Where a classification embraces a sizable volume of

risks, the record will be based on five years' experience, while a ten years' record will probably be considered for classes of limited aggregate.

MERCURY NAMES BARTENFELD, INC.

G. P. Bartenfeld, Inc., has been appointed metropolitan agent and country-wide binding representative for Mercury of the St. Paul Fire & Marine group. W. F. Ficke, vice-president, is in charge of fire insurance production and underwriting.

OPENS SPECIAL RISKS OFFICE

Fire Association has opened a special risks department in New York City with J. H. Flickers as manager. This department is to serve brokers and agents on multiple location risks, use and occupancy and other sidelines.

General Managers Rice & Whitney of the Niagara Fire, with John H. Eddy & Co. and other affiliated firms and brokers, moved from Pearl street to their new offices in the Public Service building, Boston. The event was saddened by the sudden death of Manager Clifford Rice on the eve of the removal.

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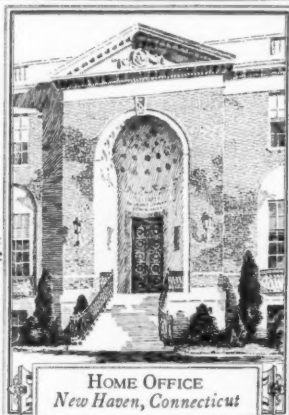
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Ohio Field Group to Meet in Cincinnati in August

The Bureau Field Club of Ohio at its monthly meeting in Columbus this week decided to hold its annual meeting at Cincinnati in August in connection with

the Blue Goose grand nest meeting. W. W. Waters, Ohio Farmers, presented a paper on "Analyzing the Security of the Indemnity."

The Implement Dealers Mutual Fire of Grand Forks, N. D., has applied for license in California.



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Pacific National's New Home Office



The Pacific National Fire will formally open its new home office building in San Francisco on April 10. It is located in the insurance and financial district at 460 Montgomery street. The new building provides increased space and modern facilities.

The Pacific National moved to San Francisco from Sacramento 11 years ago and has shown rapid expansion. In recent years the Pacific National has opened department offices in Philadelphia, Chicago, Denver and Los Angeles and service offices in various key cities.

Report Missouri Grand Jury Is Winding Up Its Quiz

KANSAS CITY—Homer Berger, attorney for the fire companies in the Missouri rate case; Glenn Weatherby, attorney for insurance department in the case; John T. Barker, chief counsel for the state during the litigation; John Hoffman, Jr., and John F. Rhodes, attorneys, all appeared late last week before the federal grand jury investigating the Missouri rate settlement. W. H. Koop, president of Great American, Wilfred Kurth, chairman of Home, and B. M. Culver, president of America Fore, also appeared. Former Governor Guy B. Park, and Attorney general Roy McKittrick, appeared earlier in the week to tell of their part in the insurance rate settlement.

Word here is that the jury is winding up its investigation of the rate settlement, how it was negotiated, and what became of the money that figured in the settlement. The jury is particularly interested in the checks issued by 137 companies to the late Charles R. Street, and are seeking to find how Mr. Street distributed some \$450,000 that he obtained for the companies.

Politicians Put on Pressure

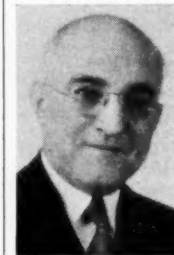
At Washington, D. C., Attorney General Murphy stated that the Democratic organization of Kansas City headed by Tom Pendergast had endeavored to bring pressure to bear to block the grand jury investigation within the past two weeks. "Privilege and influence aren't going to dominate the department's interest in the public welfare," Murphy declared.

What is believed to be a significant development in the grand jury investigation was the appearance of R. H. Hartman, an investigator for the income tax division of the treasury department. Some observers believed that his presence before the grand jury indicates that the government knows to whom the \$448,335 was actually paid and is simply

(CONTINUED ON PAGE 31)

Queen City Fire Is Entering Its 35th Year

Queen City Fire of Sioux Falls, S. D., is entering its 35th year and the management is exerting a special effort to make it a memorable one. Denny P. Lemen is also entering his 35th year as the head of Queen City Fire. For the past 17 years, Queen City Fire has paid a 7 percent dividend to its stockholders and takes particular satisfaction in this record because of the fact that these have been difficult years in the Dakotas.



Denny P. Lemen

J. J. Larkin, president of the Manchester Biscuit Company with plants at Sioux Falls and Fargo, has been elected treasurer of Queen City Fire. He has been a director for some time.

Gilbert to Quirk & McAllister

B. A. Gilbert, formerly field man of Crum & Forster group and Floyd West & Co. general agency, Dallas, has joined the Quirk & McAllister general agency of San Antonio, Tex., as special agent in southwest Texas, with headquarters in San Antonio.

Peterson Made Special Agent

Walter H. Wolf, manager Detroit office of the Jersey Fire Underwriters and New Haven Underwriters of the American of Newark announces the appointment of Norman E. Peterson as special agent in Wayne county, Mich.

Mr. Peterson was formerly an examiner in the western department of Security of New Haven in Rockford, Ill., which position he held for more than ten years.

Launch Colorado Department Probe

Investigation Started as Aftermath to Resignation and Ouster of Cochrane

DENVER — Officers and records of International Mutual Liability have been subpoenaed by a special house committee named late last week to investigate the Colorado insurance department as an aftermath of the resignation and subsequent ouster of Commissioner Cochrane.

Representative Kline, secretary of the investigating committee, the man who was responsible for the ouster move against Cochrane, said that International Mutual Liability is \$50,000 behind in claims and that he proposes to find out why.

"We're out to get the truth about certain companies suspected of operating illegally and if we find they are operating illegally to determine how they obtained permission to do business in the state," Kline said.

International Mutual Liability, a Colorado company writing compensation, is making an assessment and may "pull through," according to Luke J. Kavanaugh, acting commissioner. Doubt is expressed by the insurance department that this company is \$50,000 behind in claims.

O. H. Wyers, manager of International Mutual Liability, said: "I don't know what it's all about."

The investigating committee, organized late last week with Representative Evans of Grand Junction as chairman, started its investigation with a visit to the department. Announced intention of the body was to confirm or explode reports that the division is understaffed, to observe operations and to obtain annual statements of companies suspected of operating illegally.

A conference was held with Acting Commissioner Kavanaugh. Cochrane walked into the room as the meeting was about to begin but left on finding his office taken over by Kavanaugh.

The committee visited Governor Carr and are reported to have received a "go

She Lit the Fire and Cat with Kerosene

Resident Adjuster DePue of Western Adjustment at Mankato, Minn., handled this loss and makes the following report:

"Investigation discloses that fire occurred March 1, 1939, about 5 p. m. Mrs. Thibodeau was preparing to start a fire in the kitchen range and had placed the usual amount of kindling wood in the firebox. She then took a small can and poured some kerosene onto the kindling wood. Apparently there were some live coals in the ashes, as the kerosene was ignited almost immediately and the flames extended to the can which Mrs. Thibodeau was holding in her hand. Mrs. Thibodeau then ran to the kitchen door and threw the burning can out into the yard. Unfortunately the can struck a cat, the cat caught fire, ran directly to the straw pile which was located near the barn, the straw pile caught fire and was completely burned, the flames spread to some fodder and field corn stacked nearby, and flames from the straw and fodder set fire to the hog house and totally destroyed this building."

ahead" signal from him.

The uncertainty as to appointment of a new commissioner will probably be ended some time this week. Carr denies rumors that he had decided to relinquish the appointment to Attorney-general Rogers. Rogers said he, too, would act on the matter before April 12, when Cochrane's resignation takes effect. The attorney-general had previously indicated he will confer with the governor before making an appointment.

Marine Association Reelects

NEW YORK—H. H. Reed, North America, was reelected president of the Association of Marine Underwriters of the United States. Other officers, all reelected, are: J. T. Byrne, Talbot, Bird & Co., vice-president; F. B. McBride, Fireman's Fund, secretary-treasurer, and E. G. Diver, executive secretary.

Expert Agency Man Is Author of New Book

"The Manufacturer and Insurance," an outstanding book on the handling of insurance lines for business houses, has just been published by the "Fire, Casualty and Surety Bulletins" department of THE NATIONAL UNDERWRITER. Lawrence S. Myers, Chicago, assistant vice-president Marsh & McLennan, is the author.

Skilled in the handling of large insurance lines, Mr. Myers outlines the hazards and insurance requirements of businesses and shows how they should be covered. Particularly important in this book are the actual forms and endorsements which Mr. Myers recommends and uses to plug the gaps in standard policies.

Mr. Myers has spent his entire business career with large agencies and handling large lines. He started with the D. A. Fisher agency in Memphis and then went with Willcox, Peck, Brown & Crosby in New York. He joined the Marsh & McLennan organization in Chicago in 1921 and was made assistant vice-president in 1936.

"The Manufacturer and Insurance" started many years ago when Mr. Myers wrote down his ideas on the handling of risks for the guidance of the Marsh

& McLennan office. Gradually the work grew to a complete office manual and reference book, Mr. Myers revising it as new rules and forms appeared. The work attracted much attention and THE NATIONAL UNDERWRITER was able to induce Mr. Myers to make it public. So expertly was it written that practically no changes were needed to turn it into book form.

The book is so up to date that it includes reference to the new workmen's compensation law of Arkansas, as well as to the many new rules and forms which came out this winter. It embraces all lines, fire, allied lines, inland and ocean marine, automobile, casualty, fidelity and surety. There is an excellent chapter on accident and loss prevention work for a business house. It is ideally adapted to anyone in the insurance business and to any executive handling insurance for his business.

"The Manufacturer and Insurance" sells for \$3 and can be obtained from any office of THE NATIONAL UNDERWRITER.

Cameron Low in Omaha Bid

OMAHA—W. K. Cameron, Omaha, representing General of Seattle, was low bidder on the fire and supplemental contract on the courthouse. The offer was a premium of \$1,563 on \$473,280 coverage on the building, \$48,000 on contents and \$2,000 a month rent.



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EDITORIAL COMMENT

Another Case of Playing with Fire

THE collapse of LLOYDS AMERICA of San Antonio, a Lloyds organization that operated quite freely in a number of states, again emphasizes the fact that there are only 100 cents in every dollar. No company, regardless of its character or complexion, can long succeed by selling goods below cost price. LLOYDS AMERICA tried to beat the game. No insurance institution so far has been capable of overriding economic and business principles that are regarded as fundamental.

It roamed over the country offering to sell insurance at very alluring prices and many agents were beguiled by its siren song. It never pays to play with fire. The consequences are disastrous. In the 11 states in which it operated and perhaps in other states where it did business by mail it was able to produce a volume of premiums amounting to \$1,600,000. It engaged in the long haul truck business, evidently not showing sagacity and wisdom in writing that very hazardous line.

Combining Two Educational Factors

It is very interesting indeed and exceedingly gratifying to see the important strides that are being made along the line of more adequate insurance education. The movement is manifested along several fronts and in different ways. It is most encouraging to see what might be called a renaissance of insurance education. We all need to be better insurance men. We should have a greater knowledge of our business, its history, fundamentals, its contracts, its obligations.

It occurs to us that in connection with vocational insurance education and more extensive training along purely

insurance lines we should not overlook the high value of cultural education along with business. An insurance man is more efficient in his own line if he touches life at many points. The more general knowledge that he has the better equipped he is. He gains self-reliance. He is easier with his public. He is at home in conversation. He can explain his product with greater clearness. He has an expanding vocabulary. He leaves a better impression with his clients. The two should be combined, greater knowledge of one's own business, and a wider training in the field of general knowledge.

Great Burden on the Companies

SOMETIMES public authorities do not appreciate the immense amount of time, expense and effort that is spent on answering questionnaires or compiling information that is desired. The railroad companies have to meet the same situation. With the federal government in mind and then 48 states, each one at times desiring additional information, the extra cost runs up into big money. Sometimes this data sought for is pertinent. At other times companies question the justification of the

extra expense and effort in getting it together. It has happened that some companies have not kept their books in a manner that will enable them to give the detailed information desired. If companies simply have to meet the demands of one state insurance department or the federal government the burden would not be so great. However, with more and more demands of this kind being made a real problem is created and much extra, costly work is involved.

Need for a Man Who Says "No"

THE strong company organization or office attempts to develop a variety of talent. There is danger of a dominating factor building along special lines. An executive may be very resourceful, brilliant in his conception, somewhat daring, perhaps impractical. The promoting type of mind is quite essential in a successful enterprise. There must be development and growth, there must be a man who has vision, who can see ahead,

who is courageous and who takes chances.

Then we have the more conservative official, one checking up on everything that transpires, one who does not desire to get far from the beaten path, who is watching expenditures and whose mind is very much absorbed in detail and desk work. We have the statistically minded man who is constantly getting up figures, studying the work of competitors

and making all sorts of comparisons and analyses.

All these types are desirable because they make a composite worth while. Frequently an organization may have men of ability along various lines. Sometimes we forget that an important personality in an institution is a man with authority who has the power and stam-

ina to say "No." He realizes that there is need of a brake to be applied every once in a while. He is the man who is watching the exchequer and who realizes that schemes of various kinds if tried cost money. He is the man with stern, robust, common sense, who sees to it that the budget is balanced and some profit is made.

PERSONAL SIDE OF THE BUSINESS

L. C. Hilgemann, secretary of Leedom, O'Connor & Noyes Co. of Milwaukee and president of the Insurance Federation of Wisconsin, and Mrs. Hilgemann will return home April 9 from a month's trip south. They motored to New Orleans and Miami, spent some time in Nassau and visited Hollywood, Fla., where Mr. Hilgemann attended the mid-year meeting of the National Association of Insurance Agents.

Tribute was paid **Richard S. Busbee**, president of Atlantic Fire of Raleigh, by the Carolinas Blue Goose of which he is a charter member. He was the unanimous choice of a committee of three to be elected a member of the Goosander Club, an honor bestowed on members who have shown outstanding interest, loyalty and fellowship. After graduating from the University of North Carolina in 1898, Mr. Busbee entered the insurance business in Raleigh in 1900. In 1903 he became a special agent for the Edwin Seibels general agency of Columbia, S. C., traveling Georgia and Alabama with Atlanta headquarters. In 1906 he took charge of the Carolinas and Virginia. In 1910 he joined the Atlantic Fire as manager and for the past 10 years has been president. He served two terms as most loyal gander of the Carolinas pond.

Eugene McIntire, president Eugene McIntire Adjustment Company, Indianapolis, was seriously injured when his automobile sideswiped another car and plunged down a 25-foot embankment.

Don K. Zimmerman of the Griffith & Baughman agency, Liberal, Kan., was elected president of the Kansas Junior Chamber of Commerce at the annual meeting in Liberal. He was first vice-president the past year.

Celebrating 20 years as special agent in New Orleans, **T. C. Farrell**, Norwich Union, received many congratulations from local agents.

C. W. Bean, America Fore, state agent in eastern Kansas, has entered a Kansas City hospital for a goiter operation. After convalescing Mr. Bean will take a two-month leave of absence, and, with Mrs. Bean, will vacation in New Mexico.

James H. Johnson, Clarksdale, Miss., local agent and former Mississippi commissioner has been elected grand commander of the Mississippi Grand Commandery of Knights Templar.

F. E. Benjamin, general agent at Newark, is retiring from North America after 25 years of service. Mr. Benjamin joined North America in 1913 as special agent for eastern Pennsylvania. He then became New Jersey state agent and in 1924 went to the home office as general

agent. After three years he returned to Newark as general agent in northern New Jersey.

R. M. Pennell of Portland, Me., president of the Maine association and chairman of the New England advisory board, had made all arrangements to attend the mid-year meeting of the National Association of Insurance Agents at Hollywood, Fla. Mrs. Pennell, who had been despondent for some time, committed suicide on the eve of his departure.

C. A. Reekie, vice president and secretary Detroit Fire & Marine, has been confined to his home the past two weeks, but is recovering now and expects to be back at his desk in a week or so.

Several times in recent weeks Mr. and Mrs. **Charles Hejda** of Manitowoc, Wis., have talked with their son, Charles, Jr., in Manila, P. I., through short-wave two-way telephone operated by amateurs in the two cities. The father is a member of the Lindstedt-Hoffman Co. agency and prominent in the Wisconsin Association of Insurance Agents. The son is a young mining engineer.

Miss Nancy Jeanne Muckerman, daughter of Mr. and Mrs. **C. J. Muckerman**, St. Louis, will be married June 17 to **F. C. Blumeyer**. Mr. Muckerman is president of the St. Louis Fire & Marine.

DEATHS

Leslie E. Hildreth, retired adjuster of the Hartford Fire, died at his residence near San Rafael, Cal., where he had been living for 14 years. Mr. Hildreth was born in Malone, N. Y., July 4, 1867, and went to Chicago as a young man. In 1881 he became special agent and adjuster in Illinois for the Hartford. He later was made a field adjuster, which position he held up to the time of his retirement in 1925.

His connection of over 44 years with the Hartford Fire made him a man of wide acquaintance all over the west, and he was a familiar figure in all of the large losses.

Clifford H. Rice, well known Boston insurance man, died suddenly of heart disease. With the Niagara Fire for over 50 years, he was manager of its Boston branch and had been general agent of the Niagara for the greater part of New England since 1896. The office operates under the firm name of Rice & Whitney, with George W. Hart associated as assistant manager.

Born in Wellesley, Mass., in 1869, Mr. Rice started in 1886 as office boy for C. T. Powell, Boston agent. In 1888 he



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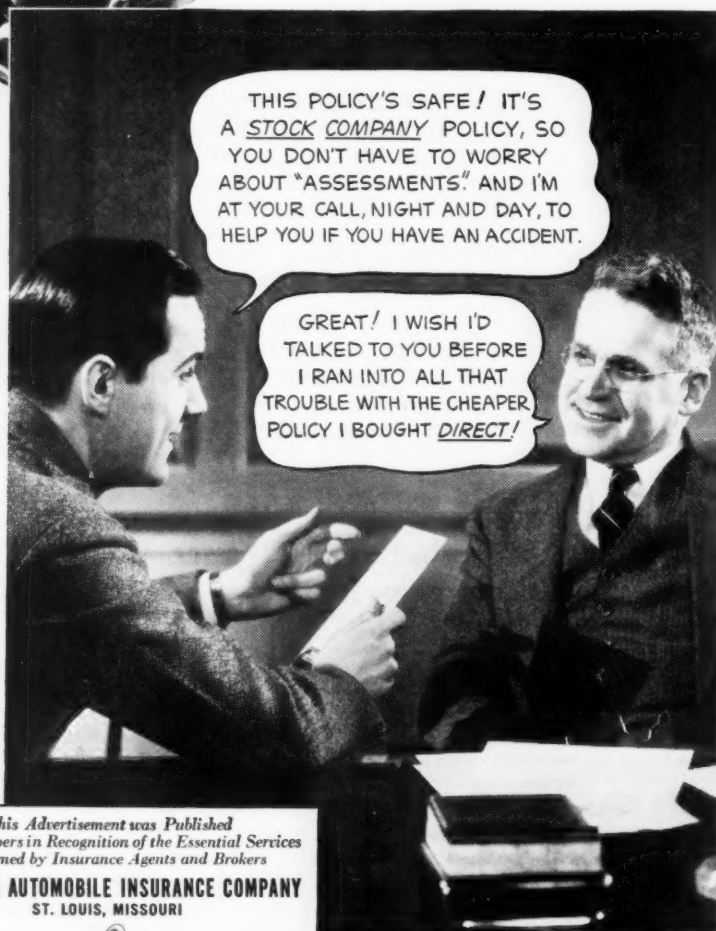
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pany, you may get "just a policy"—without the personalized
coverage you need. You may have costly, uninsured "surprise"
losses.

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YOUR LOCAL INSURANCE AGENT OR BROKER

The NATIONAL UNDERWRITER

April 6, 1939

CASUALTY AND SURETY SECTION

Page Nineteen

Stewart Reviews Surety Situation in Federal Bureaus

Careful Watch Is Needed to Hold Business for Local Agents

HOLLYWOOD, FLA.—W. Herbert Stewart of Chicago, chairman surety committee National Association of Insurance Agents, in his report before the mid-year meeting here, stated that since the annual meeting the committee has devoted most of its energy to problems emanating from Washington, D. C.

He took up Rural Electrification Ad-



W. HERBERT STEWART

ministration and in speaking of contract bonds said that state associations as well as territorial and state chairmen of rural agents' committees have been bulletined regarding projects to be undertaken. The Washington, D. C., office now is able to obtain and send out valuable advance information. In some localities, agents, he said, have been very successful in securing surety bonds guaranteeing the construction of projects on information furnished by the Washington office. The committee, Mr. Stewart said, has established the principle that where there is a resident agency law the bond must be countersigned by an agent where the project is to be performed. He said that over \$200,000,000 of these contracts dealing with electrification have been let and bulletined and \$100,000,000 during the current year.

In speaking of fidelity bonds with reference to the Rural Electrification Administration, the R. E. A. issued an insurance packet for the handling of fidelity bonds and casualty. He said the packet did not favor the writing of busi-

(CONTINUED ON PAGE 32)

Holds Lloyds Policies of New York Banks Illegal

NEW YORK—Upholding the validity of section 50-a of the insurance law which requires New York banks to carry fidelity insurance in admitted surety companies, Supreme Court Justice Hooley Tuesday granted an injunction restraining the Bankers Trust, Brooklyn Trust, Central Hanover Bank & Trust, Empire Trust, and the Manufacturers Trust Companies, all of this city, from bonding their respective employees with London Lloyds. He denied, however the prayer of the stockholder plaintiffs for an accounting and damages, holding no loss had been sustained by the stockholders because of the fact that the banks had patronized Lloyds.

Surety underwriters took no part in the litigation, although they were much interested in its outcome and followed its progress closely.

The court pointed out that fidelity insurance is a protection for the depositor against defalcation or an act of malfeasance by an employee, and that under section 50-a the injured party could re-

sort to action on a bond, issued by a company licensed by the insurance department. "It cannot be conceded," the opinion stated, that a court of equity is so powerless and its jurisdiction and authority so weak and so meager that in a given case in which a stockholder might suffer irreparable damage, it may not by means of injunctive relief, stretch forth a strong arm and prevent, at the behest of a stockholder the continuance of the performance of illegal acts prohibited by the legislature of the state."

"It cannot be said that the stockholder is not interested. He is one of the owners of the property and assets of the corporation. If a loss results from the doing of illegal acts, such as accepting protection in a foreign corporation which turns out to be insolvent, the stockholder is the one who will eventually suffer. He has a right to have the officers of his corporation comply with the law, to the end that he may not suffer damages."

Seek to Recover Phantom Burglar Losses

Insurance companies which have paid out to assureds a total of \$400,000 since March, 1935, because of the activities of Ralph Graham, the "Phantom Bel Air" burglar, now have an opportunity to recover part of their losses. Graham is now in the Los Angeles jail and has confessed to 44 burglaries in Bel Air, West Los Angeles and the San Fernando Valley.

The 12 companies known to have been on the risks have assigned their claims to Toplis & Harding, adjusters, who will attempt to recover \$199,137. Attachments have been served for Graham's home, his 36-foot cabin cruiser, and all possessions of both he and his wife. About \$80,000 in jewelry recovered by the police and being held for evidence at Graham's trial has been garnished.

Among those victimized by Graham are Asa V. Call, vice-president Pacific Mutual Life, Gary Cooper, Ken Murray, Barbara Stanwyck, Carol Lombard and Fanny Brice, film and theatrical stars; John McCormack, grand opera star; Frank Lloyd, film director; Sol Wurtzel, film producer; William Wellman, William Seiter, Fred MacMurray, Frank Capra, Warren Hilton, Vera Tattersall, and Miriam Hopkins.

Hearing on P. L., P. D. Rates in Virginia April 11

RICHMOND—The annual hearing on revision of rates and regulations for automobile liability and property damage will be held by the Virginia corporation commission April 11, on application of the Aetna Casualty and other stock companies and the American Mutual Liability and other mutuals for adjustments based on the latest experience.

The commission said the proposed private passenger and commercial rates

represent reductions in most territories but no change in rates in other territories.

"However," the commission added, "in several instances, the proposed rates have not been arrived at by the application of rate-making procedure previously approved by the commission. While the rates in these cases involve reductions, there would have been a further reduction if the rate-making procedure as previously approved by the commission had been applied."

Former National Surety Executive Is Dead



JOHN L. MEE

NEW YORK—John L. Mee, best recalled as the former agency superintendent of the National Surety under the W. B. Joyce regime, died at his home in Kew Gardens, L. I., following a brief illness.

National Bureau May Woo Four Big Outside Companies

General Accident, Employers Liability, Indemnity Company, Continental

The National Bureau of Casualty & Surety Underwriters is holding a two days meeting this week to discuss non-bureau competition and ways to meet it. This competition has been increasing in intensity and resourcefulness. The outsiders have introduced coverages in new forms which are having an appeal.

This competition does not involve the mutuals to so great extent as the larger non-bureau multiple line stock companies. The big four outsiders are Employers Liability, General Accident, Indemnity of North America and Continental Casualty. Their financial stability is unquestioned. They have force and momentum.

Would Necessitate Compromising

Some bureau members believe a rapprochement should be made, a conciliatory gesture to try to get them to return to the fold. This would mean give and take but with these four in the bureau the organization would certainly be much more formidable.

Some weeks ago it was decided to study outside competition and to arrive at some conclusions as to the best form of attack. One of the large companies offered to do the work but it was decided to make the exploration independently.

Executives are much aroused over the situation and seem determined to have something done. It is evident that action of a conciliatory nature would be to the best interests of all concerned.

ISSUE DISCUSSED AT HOLLYWOOD

HOLLYWOOD BEACH, FLA.—At the central western conference of the National Association of Insurance Agents attention was called to the fact that many of the non-bureau companies increased their premiums last year while the bureau companies for the most part show a decline. In calling attention to the New York conference of bureau companies this week, it was stated that more thought should be given to production problems and sentiment.

Agents, it was asserted, should stress the necessity of their needs being studied. The point was made that the bureau companies are the stabilizing influence. They furnish the yard stick for measuring costs. Outside companies use the manuals as a guide for their own rates and furthermore some agents use the manuals to ascertain how much to cut in price for outside companies they represent.

Changes in Motor Accident Compensation Methods Urged

Pointing out that a distinct need exists for a better method of determining liability and amount of damages incurred in a motor vehicle accident than through establishment of negligence, R. H. Blanchard, Columbia University professor, in speaking before the Institute of Traffic Engineers held in conjunction with the Greater New York Safety Convention, presented two possible solutions for the assessment and apportionment of damages incurred in such accidents.

These were: (1) Modification of the legal rules and procedures to achieve more accurate and prompt determination of fault and damages. (2) Complete or partial abandonment of the negligence principle in favor of compensation based on the consequences of accidents regardless of personal fault.

He criticized the present system, declaring that facts of accidents are seldom known with even approximate accuracy and consequently correct apportionment of blame has not been possible. Several schemes have been advanced, he said, for a combination negligence and compensation law, the essence of which is a provision of a small sum to meet medical and hospital expenses, regardless of fault, with the injured maintaining his right to bring action for damages beyond that amount.

Claimants Fare Better in Insured Cases

In general, he said, claimants fare much better in cases where motorists carry liability insurance. The Committee to Study Compensation for Automobile Accidents after investigating 3400 closed cases of temporary disability, reported that money had been received by claimants in 86 percent of insured cases and only in 20 percent of uninsured cases. Enough money to cover medical, wage and property losses was received in 69 percent of insured cases but in only 11 percent of the uninsured cases.

For 345 fatal cases damages were paid in 88 percent of insured cases, but in only 17 percent of uninsured cases. Of all the 155 uninsured cases, there were only eight in which the amount paid exceeded \$500 and only nine in which payments covered funeral expenses, being 5 and 7 percent, respectively. Among the insured cases damages of over \$500 were paid in 73 percent and funeral expenses covered in 77 percent.

In discussing the Massachusetts compulsory insurance law, he said the act had substantially accomplished its aim, that of insuring financial responsibility of motor vehicle owners. It has had no measurable effect on the occurrence of accidents. It has resulted in a higher average claim per insured car than

would have been the case without it, principally because of the increased claim frequency.

Whether this increased claim frequency represents proper claims by claimants who might otherwise have had no redress it is impossible to say, Mr. Blanchard declared. The stock companies have furnished statutory coverage at a net loss, partially because of inadequate rates, partially because of being forced to write risks which they otherwise would have declined. There has been considerable fraud, but whether it has been greater in proportion to the insurance written than elsewhere has not been determined.

Mr. Blanchard made an interesting point when he declared that in his opinion insurance and safety are not intimately related in the case of the individual driver. He said the rewards that can be given and the threats that may be made are not effective in reducing accidents. He expressed little faith in ballyhoo and so-called educational campaigns.

"It is desirable for all drivers or owners of motor vehicles to be financially responsible for the consequences of accidents," he said, "but I believe the requirement of insurance will have no appreciable effect directly on safe driving."

"Granted that there will always be evasion and interstate and constitutional defects, legal compulsion will go far to accomplish general financial responsibility. The enactment of a compulsory plan or of a compensation plan would in considerable measure result in a re-allocation of costs, which should be distinguished from an increase in costs. Also a distinction should be made between objectionable results that are inevitable and those that can be eliminated by proper laws and administration."

Prof. Blanchard Misquoted

Though Professor Blanchard repeatedly made it clear that he was taking no stand for or against compulsory liability insurance, he was the victim of inaccurate reporting by the daily press. The New York "Times" headlined its story, "Columbia Professor Proposes Compulsory Insurance as the Best Solution." The story stated that Professor Blanchard "recommended general compulsory insurance as going farther to accomplish" financial responsibility on the part of all drivers or owners of automobiles. The text of his address shows that he made no recommendation, either for or against compulsory insurance but merely stated the fact that compulsory insurance would go farthest to insure financial responsibility on the part of all automobile drivers.

More Than 40 Are Enrolled for Travelers New Schools

More than 40 young men have enrolled in the Travelers home office schools for agents, which began their sessions on April 3.

The four-weeks agents' class of the casualty school is the first course offered solely to agents in the casualty lines, all previous home office instruction having been primarily for the training of field assistants. The new course is designed for the man who has very little or no experience in insurance salesmanship. The casualty school is in charge of J. H. Egloff, supervisor agency field service casualty lines, H. D. Sherwood and C. E. Blake, assistant supervisors.

This session of the Travelers home office school for life, accident and group agents is the 27th since the reorganization of the school in 1936. In the last three years, more than 950 young men

have come from all parts of this country and Canada to attend the intensive, four-weeks course offered by the school. D. J. Bloxham, supervisor agency field service life, accident and group departments, and J. E. McNeal, Reid Hartsig, and M. F. Jones, assistant supervisors, compose the faculty.

Approve Malpractice Policy

OKLAHOMA CITY—The Oklahoma insurance board approved the malpractice policy and rates filed by the Houston Fire & Casualty, Houston, Tex. A group of agents protested the sufficiency of rate and form of the contract. This was the first meeting of the new board since the recent appointment of Secretary B. E. Harkey and Fire Marshal Carl C. Garner, who with Commissioner Read comprise the board.

Forty representatives of the Republic Mutual attended a meeting in Columbus. Superintendent Lloyd of Ohio spoke.

U. S. Aviation Group Opens Chicago Branch

United States Aviation Insurance Underwriters announces the opening of an

offices in 1962 Insurance Exchange, Chicago, for servicing the territory of the central west running to the Gulf. The manager is J. R. Graham, who for the past four years has been Chicago manager of Aero Insurance Underwriters. Until now that has been the only aviation insurance office in Chicago.



J. R. GRAHAM

Mr. Graham has had 14 years insurance experience, mostly in the casualty-surety field prior to the time that he went with Aero. He has been an active airplane pilot since 1916. He is governor for Illinois of the National Aeronautic Association. He is a member of Aviation Post of the American Legion.

Miss Isabelle Heath, who has been connected with Aero Underwriters for eight years, goes to U. S. Aviation Underwriters, assisting Mr. Graham.

United States Aviation Insurance Group is a pool comprised of 45 companies, for which United States Aviation Underwriters are the managers.

Paul Rutherford Honored at San Francisco Luncheon

SAN FRANCISCO—Paul Rutherford, president the Hartford Accident, was the guest of honor at a luncheon tendered him by Joy Lichtenstein, vice-president in charge of the Pacific Coast, in the board room of the administration building of the Golden Gate Exposition. Use of the room was arranged by L. W. Cutler, president of the exposition and vice-president of Fidelity & Deposit.

Other guests invited to meet Mr. Rutherford were L. H. Armstrong, Travelers; C. A. Bonner, Aetna Casualty; J. C. Bunyan, Ocean Accident; W. W. Derr and Read Gibson, New Amsterdam Casualty; R. E. Fay, National Bureau of Casualty & Surety Underwriters; R. W. Forsyth, Indemnity of North America; A. E. Fuller, National Surety; R. H. Griffith, Glens Falls; A. W. Hillback, Great American Indemnity; Arthur Lucy, Travelers; V. G. Peirson, Fidelity & Deposit; E. C. Porter, United States Fidelity & Guaranty; A. C. Posey, Hartford Accident; J. S. Richardson, Standard Accident; H. G. Sheehy, Massachusetts Bonding; J. F. Sheppard, Phoenix Indemnity; Ed. C. Smith, Royal Indemnity; Guy LeRoy Stevick, Fidelity & Deposit; S. L. Webster, Maryland Casualty; R. D. Weldon, American Surety, and B. G. Wills, Fireman's Fund Indemnity.

Accompanied by Mr. Lichtenstein, Mr. Rutherford left San Francisco April 1 to visit the Pacific Northwest before returning to Hartford.

Address New York A. & H. Club

Dr. J. S. List, noted psychologist, and E. H. O'Connor, president National Accident & Health Association, will address a sales education meeting April 11 under the auspices of the Accident & Health Club of New York. Mr. O'Connor, who is assistant secretary Bankers Indemnity, will discuss the outstanding sales advantages of the accident and health insurance line to the multiple line broker.

R. W. Pope, chairman New York Accident & Health Week committee, has announced that invitation tickets will be distributed by mail to agents and brokers who attended the A. & H. educational lectures and that additional invitations will be available to the local accident and health underwriters, beginning April 5.

London Lloyds Case Heard in Illinois

Quo Warranto Suit of 17 Casualty Companies Is Up On Appeal

Oral argument was heard this week by the third district Illinois appellate court on appeal from a judgment that was rendered in January in favor of London Lloyds in the quo warranto proceedings brought to oust Lloyds from the state. Counsel for London Lloyds also filed a lengthy brief. Decision was reserved pending digestion of the arguments by Justices Riess, Red Bud, Ill.; Fulton, Sycamore, Ill., and Hayes, Morris, Ill.

London Lloyds attorneys, Lord, Bissell & Kadyk of Chicago, and Graham & Graham of Springfield, in the brief pointed out the principal controversy was over section 201 of the Illinois code. They contended this precludes quo warranto action on any proceedings by any one other than the insurance director to test the right of an insurer to transact an insurance business under the code. Counsel for John W. Barber of Springfield, in whose name the quo warranto proceedings were nominally brought, at the instance of 17 stock casualty companies, argued the quo warranto is a common law action and the right is vested in the people of Illinois and cannot be voided by statute.

Position of London Lloyds

London Lloyds attorneys' position was that insurance is a business vested with public interest and is subject to such legislative restrictions as the legislature may impose in the interest of public welfare. They argued the legislature has the right to impose restrictions on the operation of insurance companies in the state and also has the right to protect such insurance companies from harrassing suits. They contended that the argument of Barber's counsel that the common law right cannot be destroyed by legislation never did apply to insurance and that while the insurance code imposes restrictions, in the same act it protects the companies.

Lloyds' counsel pointed out that attorneys for Barber were concerned about protecting people from the operations of London Lloyds which was licensed by the insurance director and therefore found financially sound, but apparently were not concerned over protecting people against unsound carriers.

Director Given Sole Power

It was pointed out the insurance code expressly gives to the insurance director power to seek receivership for defunct carriers and to liquidate them, a power not given to county attorneys. Lloyds counsel held that if Lloyds should be ousted from Illinois, this would mean liquidation of its affairs in the state, as it would not be free to take its assets out of Illinois, disregard its contract obligations and let its policyholders shift for themselves. The argument was made that any such proceeding, if successful, would end in liquidation and must fall solely within the insurance director's jurisdiction.

Aetna Casualty Coast Rally

SAN FRANCISCO—With several officials from the head office present, agents, brokers and employees of the western branch of the Aetna Casualty are holding a two-day business session here. C. A. Bonner, manager western division, presided at the opening session. Commissioner Goodcell was guest of honor and only speaker at the banquet Wednesday evening.

A meeting also was held in Los Angeles with Vice-president R. I. Catlin, Secretary E. C. Knapp and Field Supervisors A. D. Bryan and Frank Potter as speakers.

Forgery Losses Hit New High in 1938; Counterfeiters Busy

Security from Detection Lures Crooks from Taking Currency to Checks

NEW YORK—Loss ratios on forgery business appear to have hit a new high last year. In the opinion of O. J. Perkins of the United States Guarantee, there were more large forgery losses in 1938 and a greater loss frequency of smaller losses than at any time during the last 20 years. Mr. Perkins, one of the foremost experts on forgery insurance, estimates that 1938 forgery losses, insured and uninsured, totaled around \$300,000,000.

Some years ago Mr. Perkins referred to forgery as America's fastest growing crime. Probably its fastest growing phase in 1938 was the counterfeiting of checks. A favorite system is to make out counterfeit checks for relatively small amounts but which run to sizeable figures for a given loss. Another form of forgery is padded payrolls—checks drawn to fictitious payees (non-existent employees)—on which endorsements are later forged, causing the firm substantial loss. Also, endorsements forged on genuine checks present a major hazard. Checks are obtained by rifling mailboxes or stolen in various other ways.

Counterfeiting Safest

Counterfeiting of checks has grown so rapidly because it can be practiced with the greatest degree of safety to the criminal. It is almost impossible for the bank to detect because the reproductions are so perfect. The depositor's first intimation of forgery is either when the peculations are large enough to deplete the bank account or when he receives his canceled vouchers from the bank at the end of the month. With correct timing of his operations the criminal may have a margin of as much as 20 days before the spurious vouchers get back to the depositor at the end of the month.

The ease and impunity with which counterfeiting of checks may be accomplished has served to attract many expert counterfeiters away from the highly hazardous occupation of imitating Uncle Sam's currency. Counterfeiting checks has many advantages over putting out fake money. Equipment for making counterfeit checks is inexpensive, easily transported in a suitcase and capable of being whisked away if a raid threatens. Law enforcement agents find it more difficult to combat this form of invisible crime than do the secret service men who track the counterfeiters of currency. Even in the event of arrests and convictions—which are extremely hard to obtain in forgery cases—the penalties for check forging are trifling compared with those for counterfeiting United States currency.

Large Corporations Insure

Most large corporations, presumably well able to self-insure the forgery hazard, carry high limits as shock insurance against catastrophe loss. While it is true that banks are liable if they pay out depositors' money on forged checks they are not unconditionally liable. In the event of disputed liability—which happens with unusual frequency—the depositor may find himself confronted with frozen assets.

If these funds are to be released

Pledge Continuance of Reid Policies

Executives and Staff of Globe Indemnity Confer at Luncheon

NEW YORK—Officials, department heads, branch managers and agency representatives of the Globe Indemnity at a luncheon meeting on the day following the Reid dinner, were assured by Kenneth Spencer, who succeeds A. Duncan Reid as president, that the Reid managerial policies will be carried on. Hearty cooperation to that end was pledged by all in attendance.

The gathering, over which Vice-president W. H. Galentine presided, was a strictly family affair, designed for the free interchange of views on general field conditions. It likewise afforded another opportunity for those present to attest the esteem in which their retiring chief, Mr. Reid, is held, and to extend hearty good wishes for his future health and happiness.

Additional Tributes

Tribute to the worth and work of Mr. Reid was paid by J. Dyer Simpson, general manager Liverpool & London & Globe; by Harold Warner, United States manager Royal-Liverpool group, Mr. Spencer and others. On behalf of the agency force P. B. Hosmer, Chicago, presented the retiring president a handsome silver tea and coffee set. As a further token of good will Mr. Reid was elected an honorary member of the Royal Guard, an organization composed of strictly fire men who had served the company 25 years or more.

In lauding Mr. Reid's accomplishments, Mr. Simpson said Mr. Reid had "brought to the job a splendid honesty of purpose, good judgment, and a determination to succeed, but success was due in great measure to that acuteness of mind which has always enabled him to grasp an idea, analyze it, consider it from every point, and adapt it if necessary to the circumstances in point."

Reid Urges Recognition

Mr. Reid urged the agents present to give recognition to young men in their businesses. As soon as a young man has proved his ability, he should be given real participation in the business, so that he will not be tempted to take a job elsewhere or go into business for himself, but will find a permanent place and an attractive future with the agency, said Mr. Reid.

Other speakers included: Walter S. Barton, vice-president; M. A. Craig, vice-president; Emil Scheitlin, treasurer; Norman B. McCulloch, production manager; F. H. Kingsbury, retired vice-president; W. J. Thompson, manager New York City office; D. W. Pierce, Los Angeles resident vice-president; Archer C. Sanderson of Sanderson Brothers, Providence, R. I.; John M. Harrison of Marsh & McLennan, Minneapolis; Charles A. Reid of Pittsburgh, a brother of the president; Frank A. Dewick of Dewick & Flanders, Boston; O. Mitchell Stallings of Otto P. Stallings & Son, Tampa, Fla.; Kenneth H. Bair of K. H. Bair & Co., Greensburg, Pa.; Lloyd F. Bowne of Benedict & Benedict, Brooklyn; Herman Bartholomay of Bartholo-

(CONTINUED ON PAGE 20)

pending the outcome of the litigation, it may be necessary for the depositor to furnish an indemnifying bond for twice the amount, the premium on which would undoubtedly be considerably more than the premium on the forgery bond which would have precluded all of the unpleasantness of litigation and loss of time on the part of the officers of the company.

Five Unlicensed Operators Guilty

SHREVEPORT, LA.—Zeb Freeman, former evangelist, and J. L. F. Beasley of Dallas, and T. L. Morris, L. Hugh Morris and M. N. Morris of Shreveport were found guilty in federal court of using the mails to defraud in connection with unlicensed operation of assessment concerns. Sentence will be pronounced later.

Their convictions grew out of operation of the American Benefit Association, Shreveport; Southern Protective Union, Denver; Guardian Benefit Association, New Orleans; Imperial Protective Union of the District of Columbia, and the Imperial Life of Shreveport. The government showed outstanding claims were \$2,500,000 and that claims settled by the concerns averaged around 12 cents on the dollar.

It was the second trial of the defendants, the first lasting over six weeks last year and resulting in a hung jury. The federal prosecutor then immediately launched an investigation to determine if there had been "jury tampering."

Schofield Defers Chicago Cost Trip to April 17

E. J. Schofield has deferred until the week of April 17 his intended visit to Chicago to see what can be done about strengthening acquisition cost control in that city. Mr. Schofield is chairman of the casualty and surety acquisition cost conferences. He had tentatively decided to go to Chicago the week of April 10, but because of the fact that a number of important local people will not be in the city at that time, he has postponed his visit for a week.

Mr. Schofield will be accompanied by three company executives. They will meet with the Chicago Insurance Agents Association April 18, Surety Association of Chicago, April 19; Managers Association, April 20 and Insurance Brokers Association of Illinois, April 21. They will thus elicit the opinions and theories of each class of producers as to the rules of the conferences regarding classification, administration and quota allowances. The matter of commissions will not be considered.

Chicago casualty and surety men are anticipating with interest the visit of Mr. Schofield. The proposed limitation of supervising units would not go into effect until 1940. That, however, will hit a few companies that have a number of general agencies. Under the proposed plan the overriding supervisory commission is 5 percent. General agents who actually supervise say that their actual overhead is 9 percent. Seemingly they are willing to accept 10 percent if it applies to all classes.

There will be some clash over the effort to confine regional agents to those actually attached to a supervising office.

Safety with Light Campaign

WASHINGTON—A new "Safety with Light" program, designed to abate night driving traffic hazards, has been announced by the United States Junior Chamber of Commerce. Stress will be placed on eliminating accidents on the main traffic thoroughfares which comprise but 10 percent of the total city street mileage but upon which occur more than 50 percent of all night traffic fatalities. The latest data and experience on the relation of light to safety and is presented in a new "Safety with Light" manual for use by organizations interested in safety.

A "Safety with Light" contest is being sponsored.

Cross and Feller New Directors

Albert Cross of John C. Paige & Co., Boston, and Samuel R. Feller, formerly first deputy of the New York department have been elected directors of Excess.

Bar Group Must Prove Adjuster Is Practicing Law

Alabama Supreme Court Reverses Conviction of J. L. Wilkey

BIRMINGHAM, ALA.—In a far-reaching decision affecting the nationwide fight of lawyers on insurance adjusters, the Alabama supreme court reversed and remanded the case of the Birmingham Bar Association against J. L. Wilkey, prominent Birmingham adjuster.

The trial court had not only held Wilkey "unlawfully intruding into the practice of law," but attempted to define the practice of law and then restrain Wilkey from stepping over the bounds set. The high court held the trial court "clearly went beyond the scope of the pleadings insofar as it undertook to lay down rules defining the practice of law." It was further held that the trial court erred in allowing the bar association's demurrers to Wilkey's general denial, forcing him then to attempt to show he was not engaged in law practice.

Burden on Bar Association

"After the trial court improperly sustained the demurrer to the respondent's pleas of the general issue," the supreme court decision said, "Wilkey attempted to set up facts by special pleas to show that his business and duties did not involve the practice of law, thus, in effect, assuming the burden of showing that he had not engaged in the practice of law, when the burden of proof was upon the realtor to prove this fact, had the trial court not improperly eliminated the respondent's defense of a general denial. Nor can the judgment of the trial court be justified upon the plea that the averments of the special pleas should be taken as evidential facts that respondent had practiced law."

The high court ruling in effect held that when an adjuster says he is not practicing law, that is about the only defense he can make to such a charge and that the burden of proof is then upon the accuser, the same as it would be in the case of anyone accused or

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Auto Passenger Cover Sold on 75 Percent of Policies

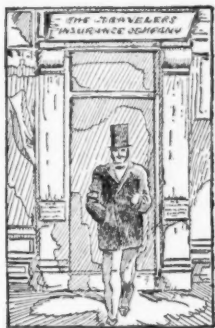
COLUMBUS, O. — Buckeye Union Casualty reports that about 75 percent of its new private passenger automobile liability policies in Ohio are being written with the passenger accident endorsement recently brought out by the company. This contract is at present being sold in Ohio only. It pays, regardless of liability, up to \$250 for medical, ambulance, nursing and hospital expense of any person injured while riding in the automobile described in the liability policy to which it is attached. There is a limit of \$1,000 per accident. The assured and his family are included in the coverage. Premium is \$6 per year and the contract may be attached on a pro rata basis to automobile policies already in force.

Ohio Casualty and a number of other Ohio companies have brought out similar forms. All companies are at present restricting this coverage to Ohio. The endorsement can be attached only to private passenger automobile liability policies issued by the same company.

CASUALTY NET PREMIUMS AND PAID LOSSES IN 1938 IN INDIANA

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses
Acci. & Cas.	2,339	46	1,397	46	46	46	38	38	159,275	22,977	65	153	620	46	25,955	46
Aetna Cas. & Sur.	874,127	272,976	156,896	73,322	100,675	16,441	308,477	116,143	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Aetna Life	337,038	172,322	22	5,791	—1,433	1,790	2,370	20,345	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Allstate	59,474	16,770	42,216	11,566	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Auto.	305,738	102,931	214,101	67,415	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Cas.	22,677	4,531	9,355	2,497	756	—	3,496	411	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Employ.	277,134	128,042	36,162	28,988	27,951	5,964	161,907	83,485	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Fid. & Cas.	89,863	46,576	71,900	34,707	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Indem.	42,866	11,618	—	—	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Motorists	58,945	15,164	24,470	7,633	1,265	—	21,524	4,121	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Mut. Liab.	733,931	305,092	14,114	7,564	35,276	2,768	671,807	291,393	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Reins.	30,286	1,003	1,349	1,787	—	—	6,971	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. States	799,288	331,831	304,636	134,627	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Amer. Surety	217,415	96,640	13,476	4,820	5,335	1,380	6,174	1,976	155,446	81,293	4,391	1,964	23,309	3,245	390,542	177,756
Arex Indem.	2,784	139	—	—	595	—	2,016	139	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Asso. Indem.	13,901	1,957	511	42	6,523	721	6,200	1,079	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Auto. Owners	130,512	49,201	51,414	16,155	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Bankers Indem.	28,606	12,027	14,687	6,117	1,731	78	5,632	3,214	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Bituminous Cas.	292,026	173,985	—	—	10,618	2,096	278,545	171,543	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Buckeye Union Cas.	48,333	20,955	16,794	5,180	361	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Car & General	8,889	3,771	5,324	1,476	480	128	475	156	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Casualty Ind. Exch.	2,046	—	—	—	2,046	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Cas. Mut. Ill.	263	8,112	—	—	—	—	301	55	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Cas. Recip. Exch.	98,887	44,141	52,482	23,759	789	3	23,383	9,238	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Celina Mut. Cas.	1,279	993	413	—	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Central Surety	39,977	44,058	34,954	40,955	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Century Indem.	56,059	10,639	8,780	521	4,165	1,213	20,529	4,037	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Chicago Ice Pro. M. I.	2,426	53	385	—	175	—	1,666	53	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Chicago Motor Club	497,105	140,552	197,558	38,618	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Columbia Cas.	74,904	28,630	8,130	3,870	9,738	4,382	19,229	7,492	14,880	6,432	4,250	1,919	5,549	1,914	230,715	89,369
Commercial Cas.	53,074	15,403	7,514	771	2,730	1,116	131	4,626	1,669	—1,316	1,596	1,146	2,680	489	1,931	576
Coml. Stand. Tex.	60,965	12,242	21,874	3,697	899	148	11,013	2,600	1,467	—	581	230	1,869	789	19,711	4,692
Conn. Indem.	1,857	948	1,272	608	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Consolidated Und.	66,693	25,617	35,344	10,361	134	—	3,270	772	159,275	22,977	19,574	8,818	51,100	7,375	70,389	25,955
Continental Cas.	589,767	173,552	77,006	13,710	35,975	1,941	101,923	31,482	34,960	4,958	6,573	2,943	19,100	4,063	31,150	10,699
Eagle Indem.	18,336	4,989	1,855	454	2,322	200	3,756	568	3,590	72	252	132	1,973	687	927	351
Employ. Liab.	858,239	387,197	98,649	55,446	81,515	32,449	551,246	271,680	20,386	—1,758	6,574	2,880	23,086	5,090	45,010	17,912
Employ. M. L. Wis.	360,471	110,672	24,624	4,895	31,107	1,561	278,271	96,396	—	—	—	—	—	—	25,570	7,571
Employ. Reins.	118,512	15,552	74,217	9,630	2,803	—	5,251	—	3,360	—	352	277	2,414	602	9,610	1,080
Equity Mut.	4,529	3,324	604	42	292	—	3,374	3,183	—	—	25	—	—	—	325	99
European Gen. Re.	129,552	34,918	23,588	4,473	4,052	11	618	52	54,240	19,780	—	—	14,291	68	3,106	102
Excess	4,914	2,914	725	—	509	—	574	—	2,771	2,626	—	—	—	—	—	—
Fact. M. Liab. R. I.	4,958	257	2,821	—	10	—	—	—	—	—	—	—	—	—	2,099	357
Farm Bur. Mut.	283,571	116,958	79,226	24,721	—	—	—	—	159,275	22,977	19,574	8,818	51,100	7,375	169,626	88,400
Farm. M. Liab. Ind.	347,523	171,653	81,961	43,391	3,961	684	116,868	60,041	159,275	22,977	19,574	8,818	51,100	7,375	115,033	63,696
Fidelity & Cas.	405,093	103,120	57,666	24,173	28,005	16,499	161,127	67,500	62,690	—26,200	7,519	2,647	17,670	3,771	26,180	11,247
Fidelity & Deposit.	245,835	54,334	—	—	—	—	—	—	230,694	51,090	1,671	773	13,469	2,472	—	—
Fireman's Fund Ind.	28,527	10,817	6,517	390	2,999	537	5,194	5,412	7,125	3,188	759	269	1,691	239	2,969	686
First Reins.	1,809	269	—	—	—	—	—	—	—	—	—	—	—	—	12	—
General Acci.	188,466	71,061	58,634	18,094	15,063	2,811	72,886	37,118	—	—	3,232	1,073	4,706	1,322	26,048	7,821
General Cas. Wash.	360	320	74	—	5	—	—	—	—	—	255	254	—	—	25	67
General Reins.	122,242	32,042	28,689	24,425	6,362	—	7,951	1,024	50,734	—1,331	704	—	9,164	—334	1,671	5,646
Globe Falls Indem.	46,696	8,576	11,347	—	503	—	3,630	—	2,131	—3,598	2,131	1,003	2,445	323	5,426	1,827
Globe Indem.	361,122	106,442	83,332	26,612	37,533	3,407	130,085	38,719	30,299	49	5,963	2,939	15,488	2,436	39,161	17,523
Great Amer. Indem.	66,164	12,966	14,692	4,241	6,565	1,708	22,461	6,401	8,155	—3,697	1,334	449	5,251	937	5,863	2,090
Great Lakes Cas.	178	—	80	—	38	—	—	—	—	—	—	—	—	—	72	—
Growers Auto. Assn.	14,085	7,837	3,551	3,006	—	—	—	—	—	—	—	—	—	—	8,195	4,699
Guar. of N. Amer.	4,142	31	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hdwe. Mut. Cas.	320,333	98,447	82,148	14,246	14,053	854	142,955	53,760	4,142	—31	—	—	5,770	2,470	6,996	330
Hartford Acci.	880,676	274,110	234,819	67,098	68,136	8,497	264,850	104,536	129,945	27,944	11,859	5,416	43,907	11,272	92,923	24,442
Home Indem.	33,119	13,933	16,070	6,169	3,366	516	—	—	3,356	4,470	833	292	2,342	303	7,153	2,183
Hoosier Cas.	524,638	198,904	139,042	46,324	—	—	—	—	—	—	—	—	—	—	170,370	71,485
Ill. Cas.	5,232	7,310	1,538	3,190	—	—	—	—	—	—	—	—	—	—	3,240	3,840
Ill. Natl. Cas.	194,854	61,059	72,537	14,884	—	—	—	—	—	—	—	—	—	—	99,167	42,794
Indem. of No. Amer.	139,768	37,618	48,957	20,792	21,057	628	13,019	6,862	18,136	—1,017	2,263	643	9,349	886	23,172	8,230
Indiana Bonding	37,436	348	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Indiana Ins.	720,006	353,924	246,130	121,522	1,647	78	—	—	—	—	—	—	—	—	319,332	184,421
Inland Bonding	17,053	64	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Iowa Mut. Liab.	330	14	191	—	—	—	—	—	—	—	—	—	—	—	104	14
Liberty Mut. Mass.	519,174	176,327	28,358	29,172	39,688	3,032	432,369	134,937	4,399	623	286	19	1,911	239	12,965	8,304
London & Lanc.	63,971	34,570	11,613	16,776	3,827	1,664	7,519	3,104	10,386	3,164	2,054	816	1,246	1,246	7,642	3,948
London Guar.	206,701	100,324	27,988	11,881	19,735	16,032	91,400	36,483	—	—	2,793	858	8,686	1,129	14,968	6,152

Seventy-five Years of Progress



IN two small rooms on the second floor of a bank building in Hartford, Connecticut, The Travelers Insurance Company began business seventy-five years ago. The Company actually consisted of the stockholders who had been induced to back James G. Batterson's idea of rail-

way accident tickets and general accident policies, one employee, a pine desk, and some printed supplies.

Hartford, then 228 years old, was still something of a New England town and farming center, though it had grown to a busy industrial and financial community with some of the characteristics of a cosmopolitan city. Its factories turned out products that went to the furthestmost parts of the world, and brands of goods that were well known throughout the country. Its fire insurance companies were widely known, respected and trusted. Its life companies were attaining a substantial reputation in a line of insurance that was gaining in popularity.

So The Travelers was a newcomer in the midst of many well established business organizations; judged by its office and office equipment it was an unpretentious newcomer; judged by its payroll it was unimportant; judged by its possibilities—that was where the opinions of Hartford business men diverged widely. But some had faith in the idea and in the men behind it, sufficient faith to put up \$200,000 of cash as capital.

With that sum The Travelers began business on April 1, 1864.

It is interesting to compare the first annual financial statement made at the close of business December 31, 1864 with the figures from the seventy-fifth annual statement, showing the financial condition on December 31, 1938. It is also interesting to contrast The Travelers of that day with The Travelers of today, to wonder if the founder, the first employee and the first agents ever imagined to what size the institution might grow, to what extent its service to the social order would expand.

In that first annual statement the assets were \$372,121. In the seventy-fifth the same item shows \$975,527,444. In addition to The Travelers Insurance Company there are now three subsidiary companies, each far bigger than the parent of those early days.

Between April 1, 1864 and the end of that calendar year the cash capital grew from \$200,000 to \$333,500. Today it stands at \$20,000,000.

During the nine months of 1864 that The Travelers sold accident tickets and policies, it collected \$49,289 in premiums. From all lines of insurance which are now offered by the Company and its subsidiaries, premiums in 1938 aggregated \$196,842,649, and the assets of The Travelers Companies are now more than a billion dollars.

To sell the policies and handle accurately

and promptly the money and the transactions which these contracts of insurance involve The Travelers today requires offices and an organization that contrast sharply with the modest beginnings.

Instead of two rented rooms The Travelers now needs six of Hartford's largest buildings with twenty-three acres of usable floor space.

Instead of one employee, there are now 5,023 in Hartford alone; and over 6,000 elsewhere, as well as thousands of agents. No office anywhere among those which have been established from Halifax, Nova Scotia, to San Diego, California, or from Vancouver, British Columbia, to Miami, Florida, is today as small as the original home office.

When the first travel accident contract was issued by The Travelers on April 1, 1864, a whole new field of insurance was opened. While property had been insured under marine and fire policies for many years, in-

DECEMBER 31, 1938

Assets	
The Travelers Insurance Company . .	\$975,527,444
The Travelers Indemnity Company . .	28,494,319
The Travelers Fire Insurance Company .	26,280,630
Reserves and all other Liabilities	
The Travelers Insurance Company . .	\$922,170,982
The Travelers Indemnity Company . .	18,224,985
The Travelers Fire Insurance Company .	18,321,688
Capital and Surplus	
The Travelers Insurance Company . .	\$53,356,461
The Travelers Indemnity Company . .	10,269,333
The Travelers Fire Insurance Company .	7,958,941

insurance on human beings was comparatively new. Life insurance, providing merely death benefits, had been available for only two decades.

Insurance that took care of a man when he was laid up by an injury or took care of his family if the accident proved fatal, was a fundamental idea from which later grew liability, health and workmen's compensation insurance.

All of these forms, including life insurance, provide insurance against the misfortunes that result from personal injuries or illness. Group insurance, through which forward-looking employers could provide workers with life, accident and sickness protection, either paying the entire cost or sharing it with employees was a natural development.

These various lines of insurance providing benefits for personal injury or death were all taken up in due course by The Travelers Insurance Company: life in 1865, liability in 1889, health in 1899, Compensation in 1910 and group in 1913.

To provide insurance for the misfortunes that come from property losses The Travelers Indemnity Company was organized in 1906, The Travelers Fire Insurance Company in 1924, and the Charter Oak Fire Insurance Company in 1935.

Not only was The Travelers the pioneer in accident insurance, but also the first to write automobile and aircraft insurance. It prides itself also in being the first to issue a life contract that would pay the beneficiary an income, instead of a lump sum; first to establish a school for the instruction of field

men; first to organize an Engineering and Inspection division, manned by experts whose objective is the prevention of accidents.

During the first year of business, agents were appointed to sell two types of annual accident policies, those which covered only the mishaps of travel and those which covered all kinds of accidents. Railway and steamboat ticket agents were also appointed to sell accident tickets good for one or more days. In the next year agencies were established in Canada. It was the same year that life insurance policies were offered by the Company.

When both business and life became more complex with the close of the last century so did insurance, for insurance is primarily a means of spreading losses and preventing misfortune from crushing individuals and enterprises. The need for improved methods of instructing the field forces of insurance companies in these increased complexities of the business was becoming evident and in 1903 a department of instruction and training was established in the home office. Here, for thirty-six years now, men experienced in both insurance and pedagogy have been teaching the fundamentals and intricacies of insurance to students from all parts of the country. Correspondence courses were added later to supplement the instruction given in person at the home office.

During the past few years many young men have found this school a means of getting the information they needed to set themselves up in business as local insurance agents, and as such to serve the public properly and intelligently.

To policyholders and beneficiaries throughout the United States and Canada The Travelers Companies last year issued 1,065,987 checks and drafts for benefits under policies. That was an average of 3,553 for each business day. During 75 years of active business the payments to policyholders and beneficiaries have totaled \$1,773,584,713.



The Travelers Insurance Company
The Travelers Indemnity Company
The Travelers Fire Insurance Company
The Charter Oak Fire Insurance Company
HARTFORD, CONNECTICUT

	Total	Auto. Liab.	Other Liab.	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary-Theft	Prop. D. & Coll.
	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses
Utilities, Mo.	61,421 44,695	22,977 14,594	4,352 1,412	8,992 3,380	7,313 180	923 700	1,340 165	23,545 13,464
West. Cas. & S., Kan.	94,473 34,136	47,514 18,251	2,398 658	10,608 3,768	7,313 180	923 700	1,340 165	23,545 13,464
Wolverine, Mich.	174,780 83,294	98,232 41,277	.....	.....	.....	.....	.....	67,068 37,906
Yorkshire Indem.	15,180 6,248	108 168	.....	.....	14,915 6,248	.....	3 3	85 85
Zurich	355,866 152,050	59,926 37,535	57,260 15,410	173,103 69,783	.....	3,387 94	7,025 1,001	26,139 12,893
Total, 1938	27,753,895† 11,283,181†	5,453,132 2,264,895	1,307,254 314,528	6,341,133 2,170,051	2,119,188 302,253	221,422 98,374	625,248 104,949	5,019,084 2,845,070
Total, 1937	28,605,299 11,276,380	5,507,258 2,424,670	1,486,376 355,755	7,678,296 2,961,507	2,177,190 1,321,102	250,108 114,631	668,712 116,141	4,687,428 2,605,354

*Excludes fire, tornado and inland marine.

†Includes totals in classes below and auto fire, theft, etc., of full cover writers.

‡Total Indiana premiums \$630,028, losses \$724,617, mostly auto fire, theft, collision.

Other Classes of Casualty Business in Indiana in 1938

ACCIDENT AND HEALTH	Premia.	Losses.	Eagle Indem.	Premia.	Losses.	Ill. Mutual Cas.	Premia.	Losses.	CREDIT	Premia.	Losses.
Acc. & Cas.	37	.....	Empire Life & Acci.	348,772	137,259	Income Guar.	55,872	27,975	Amer. Credit Indem.	56,173	.....
Aetna Life	336,078	\$ 144,396	Employ. Liab.	8,268	1,936	Indem. N. Amer.	3,649	1,042	Employers Reins.	9,878	—51
Alliance Life	6,328	6,124	Employ. Reins.	10,626	4,056	Independence Life	32,133	7,308	Europ. Gen. Re.	6,430	849
Amer. Cas.	1,406	32	Equit. Life, N. Y.	93,527	24,352	Indiana Travelers	35,938	15,199	London Guar.	33,456	24,523
Amer. Employ.	2,354	392	European Gen. Re.	20,894	9,583	Indust. Cas.	13,587	6,489	Total, 1938	\$ 105,927	\$ 25,281
Amer. Income	55,990	24,742	Excess	131	274	Inter-Ocean Cas.	18,038	6,196	Total, 1937	78,793	6,529
Amer. Reins.	5	.....	Federal Life, Ill.	49,273	24,595	Inter-St. Bus. Men's	8,285	2,871	SINKER LEAKAGE AND WATER		
Amer. Savings	6,379	1,810	Federal Life & Cas.	13,913	3,490	Jefferson Mutual	689	500	DAMAGE		
Amer. Standard	39,360	13,738	Fidelity & Cas.	13,228	2,631	John Hancock Life	4,986	2,951	Aetna Cas.	3,377	\$ 1,672
Amer. Travelers	14,446	5,496	Fidelity H. & A., Mich.	84,787	40,250	Ky. Com. Life & Acci.	147,915	55,384	Indem. Ins. of N. A.	166	53
Bankers Indem.	79	.....	Fireman's Fund	1,273	96	Legion Life	25,333	1,000	London Guar. & Acci.	171	.....
Ben. Assn. Ry. Empl.	150,577	84,546	First Reins.	1,678	269	Liberty Mut.	7	.....	Maryland Cas.	474	.....
Business Men's Assur.	79,317	33,783	General Acci.	4,880	2,821	London & Lanc.	13,014	3,853	Metropolitan Cas.	252	129
Central Surety & Ins.	27	.....	General Reins.	12,879	2,612	London Guar.	5,060	2,990	Phoenix Indem.	771	67
Century Indem.	1,505	1,990	Gibbalt. Indus.	22,750	3,088	Loyal Protect.	46,937	19,420	U. S. F. & G.	711	67
Columbia Cas.	4,646	473	Glens Falls Indem.	3,149	403	Lumber Mut. Cas.	3,770	1,869	Total, 1938	\$ 4,840	\$ 1,921
Columbian Natl. Life	6,123	1,304	Globe Indem.	11,151	12,904	Mammoth Life & Acci.	35,245	15,185	Total, 1937	7,001	3,185
Columbus Mut. L.	10,913	3,245	Great Amer. Indem.	1,933	837	Maryland Cas.	28,257	20,181			
Commercial Cas.	27,822	8,293	Great Northern Life	59,748	27,879	Mass. Acci.	18,675	7,282			
Conn. General.	67,719	36,119	Guar. Reserve Life	1,575	1,154	Mass. Bonding	21,997	11,134			
Continental Assur.	6,674	6,221	Hartford Acci.	38,384	25,304	Mass. Indem.	27,872	8,363			
Continental Cas.	244,954	103,717	Hoosier Cas.	164,857	70,191	Mass. Protect.	271,822	147,817			
Craftsman	26,934	8,789	Ill. Bankers Life Assur.	55,170	14,905	Mercer Cas.	138	.....		

AMICO'S

1939 STATEMENT SHOWS

Assets increased from \$7,746,233.25 to \$8,409,092.52, a gain of \$662,859.27.

Reserve for losses and loss expense increased from \$3,434,420.38 to \$3,775,006.09, a gain of \$340,585.71.

Dividends to policyholders increased from \$741,391.24 to \$988,050.75, a gain of \$246,659.51.

Surplus as regards policyholders increased from \$1,714,566.27 to \$1,899,952.14, a gain of \$185,385.87.

Without obligation we shall be glad to send you a copy of the American Motorists January 1, 1939 Annual Report showing the sound financial position of the company and other interesting information.

AMERICAN MOTORISTS INSURANCE COMPANY

Division of Kemper Insurance

SHERIDAN ROAD AT LAWRENCE AVENUE, CHICAGO, ILL.

STEAM BOILER, ENGINE AND MACHINERY

Aetna Cas.	4,365	\$ 272
Amer. Employ.	3,480	829
Columbia Cas.	3,667	741
Continental Cas.	38,126	48
Eagle Indem.	1,244	308
Employers Liab.	23,506	1,562
European Gen. Re.	2,334	.....
Excess	200	.....
Fidelity & Cas.	31,008	851
General Acci.	2,418	.....
General Reins.	4,684	.....
Globe Indem.	8,111	1,803
Hartford St. B.	148,957	21,477
London Guar.	2,562	275
Lumbermen's Mut. Cas.	10,440	230
Maryland Cas.	43,463	5,242
Mutual Boiler	4,534	885
Ocean Acci.	17,895	2,250
Phoenix Indem.	2,133	208
Royal Indem.	23,886	2,947
Security Mut. Cas.	—39	.....
Standard Acci.	27	.....
Travelers Indem.	51,067	6,103
Total, 1938	\$ 428,072	\$ 46,031
Total, 1937	530,251	45,092

LIVE STOCK

Hartford Acci. & Indem.	52	\$ —100
Hartford L. S.	31,633	17,952
Total, 1938	\$ 31,685	\$ 17,853
Total, 1937	33,205	16,995

Predicts \$100,000 Premium Gain from N. C. School

Among the many enthusiastic comments on the recent insurance school of the North Carolina Association of Insurance Agents at the University of North Carolina, the following appears to be particularly significant. It comes from a prominent eastern fire insurance company official, who took an active part in the program.

"This particular insurance school was pronounced the best one so far held, and that opinion was expressed by several who had attended other similar gatherings. The atmosphere was perfect for such a meeting. Everyone came with the spirit of a college student, and the attention given to the talks of all instructors was quite remarkable. Approximately 340 registered. There were three solid days and two evenings of lectures, and every facility of the university was placed at the disposal of those attending the school.

"I, for one, greatly enjoyed contacts with the agents of North Carolina and liked them very much indeed. They all seemed to be very much interested in the subjects discussed—which, incidentally, are to be published in mimeographed form, and distributed to those who attended the school.

"I listened to practically all the lectures and took all the tests. Much to my surprise, I found, after the three days, that I was a pretty good casualty man, whereas my knowledge of that class of insurance had been very limited before the sessions.

"It was gratifying to see insurance agents making such serious efforts to improve their knowledge of this fascinating business of ours, which is rapidly attaining the rank of a profession. I venture the assertion that \$100,000 of new premiums in North Carolina will result directly from the insurance school."

U. S. F. & G. Nebraska Rally

The United States Fidelity & Guaranty held an educational conference in Omaha this week for Nebraska agents, with Fred Ochsenbein, manager there, presiding. Speakers included Commissioner Smrha of Nebraska, R. Howard Bland, board chairman; Philip F. Lee, vice-president and agency director; O. R. Leeds and J. D. Hall, assistant agency directors, and C. J. Fitzpatrick, secretary, from the home office of the U. S. F. & G.; F. A. Gantert, president; H. F. Ogden, vice-president, and C. J. Hershe, Chicago, marine representative Fidelity & Guaranty Fire; H. C. Berry, district supervisor; G. D. Knudson, city supervisor; K. F. Schneck, superintendent surety department, and L. L. Abbott, superintendent of claims.

ACCIDENT AND HEALTH

Awards for A. & H. Week Achievement

Accident & Health Insurance Week, April 24-29, will be featured by awards to be given representatives of accident and health companies for outstanding achievements during the week.

Handsomely framed certificates will be given those agents who "do the most" to publicize the business of accident and health insurance the week of April 24. To receive this award the agent need not necessarily write a large number of applications or huge volume of accident and health business but it may be given to those agents who overcome some extremely difficult handicap in making a success of his work that week or to a representative who achieves unusual local publicity—perhaps by obtaining newspaper publicity or arranging an unusually attractive window display—or may be awarded for some other unusual achievement or piece of work.

Companies will submit the names and records of achievement of their agents whom they nominate to receive this "certificate of award" but the general committee reserves the right to disapprove the award to an agent whose record of achievement is not considered adequate.

Gold cards will also be available to companies to give as awards to other of their representatives for outstanding work done during the week. No restrictions are placed upon the qualifications for the award of these gold cards except that each company should give careful consideration to the effort put forth by the agent to receive one.

The popularity of the advertising and publicity material prepared by the general committee is attested by the fact

that there has been a greater demand for the material this year than for any previous observance.

Proclamations have already been issued by the governors of Michigan and California and it is expected that several other states will have similar pronouncements by their chief executives. Governor Dickinson of Michigan says in his proclamation:

"To preserve the security of their families and their own, in times of distress resulting from accidents and illnesses, I urge everyone to protect their earning power by providing themselves with adequate accident and health insurance."

Gurney Is New President of Cincinnati Association

CINCINNATI—New officers elected by the Cincinnati Accident & Health Association are: C. L. Gurney, Mutual Benefit Health & Accident, president; E. Y. Lininger, Continental Casualty, vice-president; J. A. Eggers, Inter-Ocean Casualty, secretary; G. F. Kirkwood, Earls-Blain Company, treasurer.

F. E. Shreve, regional sales manager Massachusetts Accident, Erie, Pa., demonstrated his company's "house of life" canvass, which it is finding unusually effective, particularly with new men. Mr. Shreve said it is a problem to encourage men to get into accident and health insurance and then enable them to make a living. Most accident and health agents, he said, make their appeal to but 20 percent of the population—the man on the street who is canvassed by everyone. The vast field of wage earners, the man on the side street, is virtually untouched and the agent is thereby passing up an opportunity to

sell a large volume. This class earns from \$15 to \$40 weekly and needs income protection more than the man who is making \$100 a week.

Wage earners need a full coverage policy for a short period of time. They cannot afford to pay for lifetime disability and don't need the coverage, one year disability being sufficient. Too many agents are using accident and health merely as a side line, Mr. Shreve stated, when there are real money-making possibilities in the business.

Massachusetts Protective Group Expands Quarters

The Massachusetts Protective and its affiliated companies, the Massachusetts Protective Life and Paul Revere Life, are now occupying the new wing of the home office building in Worcester, Mass. This new wing adds about 22,000 square feet of working space for these companies. This space is provided in the four stories and basement addition.

The new addition is directly connected with the older portion of the home office and adds about 60 percent to the available working space. It is soundproof throughout, free of columns; 60 percent of the outside walls are glazed so that no artificial light is necessary at any time during the daytime hours. A vertical conveyor with automatic loader and unloader is provided and the structure is all ready for air conditioning. Underfloor electrical service was placed for all power and telephones.

Greatly increased efficiency in the layout and procedure of work is possible in the new building. Accounting for all companies is now centered on one floor. This is true also of the production department. The index department has been placed midway between the life and accident and health departments. All mechanical work is concentrated in one location. Claim and legal work is

all on one floor. This was the seventh insurance building for which Harold C. Pennicke, New York City, was consultant engineer. Mr. Pennicke is now working also on the new Continental American building at Wilmington. Joseph Molder, assistant secretary, was the home office official in charge of getting the new unit erected.

The parent company, the Massachusetts Protective, was organized in 1895 and at the close of last year had total assets of more than \$11,000,000, of which \$4,550,000 represented capital, surplus, and special contingency reserve. This company specializes in accident and health insurance and its premium income last year was \$7,290,000. The Massachusetts Protective Life has in force \$37,854,000 and last year had new paid for business, \$3,865,000. The like figures for the Paul Revere Life are \$22,067,000 and \$7,626,000.

New Company to Write A. & H.

The Brotherhood Mutual Life, being organized at Fort Wayne, Ind., will write accident and health as well as life and annuity business. Insurance men among the organizers are Peter and Ora Rupp, Archbold, O.; Albert Neuen-schwander, Grabill, Ind.; Clifford Fluckinger, Ridgeville, O.

Lundquist Speaks in Milwaukee

MILWAUKEE—C. F. Lundquist, manager life and accident department of Fred S. James & Co., Chicago, spoke on "Production in a Multiple Line General Agency" at the monthly meeting of the Milwaukee Accident & Health Association. J. J. Helby, chairman, reported on legislative developments.

Holdren Made Cleveland Manager

Floyd Holdren, who has been director of agencies of the Mutual Benefit Health & Accident and United Benefit



GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of December 31, 1938:

Capital	\$1,000,000.00
Surplus	6,000,000.00
Loss Reserve	6,272,752.78
Premium Reserve	2,248,841.37
Voluntary Reserve	730,115.57
All Other Liabilities	909,125.53

Total Admitted Assets . . . \$17,160,835.25

Securities carried at \$974,825.09 are deposited in accordance with law.

Casualty, Fidelity and Surety Reinsurance

Life at the home office in Omaha, has been made Cleveland manager of those companies, succeeding R. B. Sullivan, resigned, with officers in the Williamson building. Before going to the home office, Mr. Holdren was educational director of the E. B. Brink state agency of the two companies in Detroit. He has been very successful both in personal production and supervisory work.

Assessment Bill Passed

The Nebraska legislature has passed bill requested by Mutual Benefit Health & Accident permitting assessment companies to limit the liability of their members for future assessment. This is permissible where the company maintains reserves, surplus or contingent fund equal to that required by law for stock or mutual companies, and must not be less than the sum fixed by the regular assessment.

Chier Opens Branch in Chicago

Maurice C. Chier, Milwaukee general agent Continental Assurance, is opening a branch office in the Union Station, Chicago, to sell a group hospitalization plan to employees of the Milwaukee railroad. The original hospitalization plan of the Continental Assurance was non-occupational, but the contract to be sold to the Milwaukee railroad men will cover on as well as off the job. Mr. Chier is putting on a special force of salesmen both at Chicago and Milwaukee to do the canvassing.

Sellwood Takes New Post

F. W. Sellwood, Salt Lake City, has resigned as general agent of the Northern Life of Seattle to become field supervisor of the United Benefit Life and Mutual Benefit Health & Accident in the Walker-Hiner agency Salt Lake City. Before going with the Northern

in 1936, Mr. Sellwood was for three years field supervisor of the Kansas City Life in Utah and Idaho.

McCormick Heads Old Line Mutual

M. J. McCormick, formerly vice-president of the Bankers Union Life of Denver, has become president of the Old Line Mutual of Denver, assuming active management. The Old Line Mutual writes accident and health exclusively and operates in Colorado only. It is planning to enter two or three adjoining states, as soon as Colorado is developed. Several new policy forms have been added. It was organized in 1935.

Buehler New Jersey Manager

Frank G. Buehler has been appointed New Jersey state manager of the Loyal Protective Life. He is a native of Cleveland and after holding executive positions in a wholesale house there, he entered the general insurance and real estate field in 1917. Since 1921 he has specialized in accident and health insurance, and in life insurance since the Loyal entered that field. He has been with the company since 1925.

Aero Changes Accident Cover

Aero Insurance Underwriters has made the same changes in relation to its aviation personal accident policies that United States Aviation Underwriters has adopted. These changes were reported in THE NATIONAL UNDERWRITER last week.

Push Publicity in Los Angeles

LOS ANGELES—Accident & Health Week activities of the Los Angeles Accident & Health Managers Club will be centered on more aggressive publicity than in any previous year. Instead of having stated meetings during the week,

the Accident & Health Week committee, headed by Chairman C. M. Beall, Inter-Ocean Casualty, will make more generous use of posters for windows, office displays, displays in lobbies of office buildings and other conspicuous locations. Circularizing will be featured by the committee and the club members.

NEWS BRIEFS

E. B. Crow of Richmond, Va., has been elected president of the North America Assurance Society of that city, which specializes in writing hospitalization insurance. Frederick Pilcher of Petersburg, who had been president, becomes chairman of the board. The society, since it was licensed by the Virginia department, has written more than 50,000 hospitalization policies in Virginia. It plans to extend its activities to several other states.

Plans are being made by the Portland (Ore.) Accident & Health Association to put on an intensive drive for new business the week of April 24-29, Accident & Health Insurance Week.

The Ohio Hospital Mutual of Orrville has been licensed by the Ohio department.

The McAlester Hospital Mutual, McAlester, Okla., has been licensed by the Oklahoma insurance board to write hospital service contracts.

Illinois Auto P. L. Losses

In the Illinois table of casualty premiums and losses during 1938, the total automobile liability losses should appear as \$8,449,131, instead of \$3,949,131.

Also in the Illinois casualty table, net plate glass premiums of United States Fidelity & Guaranty should have been \$55,262 instead of \$5,526.

Howard L. Ehler, claims attorney of the American Automobile in Chicago, has just returned from vacation in Florida with his wife and mother.

CHANGES

Wood Is Assistant Manager

L. B. Wood, formerly district supervisor of the U. S. F. & G. at Syracuse, has become assistant manager there. He went with the company in 1926 as supervisor of claims in Hartford and was transferred to Syracuse in 1930, being advanced to district supervisor last November.

Name Cortelyou in New Orleans

The American Bonding has appointed W. T. Cortelyou assistant manager New Orleans branch. W. M. Kroll is transferred to the Washington branch as assistant manager.

R. B. Jones with Bituminous

KANSAS CITY—Richard B. Jones, son of Cary W. Jones of R. B. Jones & Sons, has joined the Bituminous Casualty as special agent in western Missouri and Kansas. He has been with the Jones & Sons agency six years, two years as manager of the Chicago office. R. A. Braddock is manager of the Bituminous Casualty here.

R. C. Hoff has joined U. S. F. & G. Kansas City office under Manager W. C. Moffatt as assistant liability and casualty underwriter. He has been at the home office three years.

SURETY

Gibbons to Speak in Cleveland

James E. Gibbons, consulting engineer American Surety and New York Casualty, will speak before the Cleveland Surety Club at a luncheon meeting April 10, on "Contract Bonds."

Metropolitan Superintendent Quits

L. S. Garner has resigned as superintendent of the New York metropolitan surety department of Great American Indemnity.

Replevin Bonds in Confused State

The Surety Association of Chicago at its luncheon meeting Tuesday heard a report from a committee that has been looking into the replevin bond situation in the city which is in a disturbed condition. Some of the surety companies have been writing blanket replevin bonds. Various rates have been used and the situation is confused. An effort will be made to get the Towner Bureau to stabilize the situation. Walter S. Lane, United States Fidelity & Guaranty, reported for the committee.

Big Plane Contract

The U. S. navy awarded a contract to the Consolidated Aircraft Corporation, San Diego, Cal., for flying boats at a total cost of \$4,699,057. The Aetna Casualty was on the bid bond, the business originated in its Los Angeles office. It is understood it will write the contract bond.

Display Brady Gang's Equipment

The United States Fidelity & Guaranty is holding a burglary sales meeting in Chicago April 7 at 10:30 a. m., at which the equipment used by the notorious Brady gang, which was routed by G-men at Bangor, Me., last January, will be displayed. The equipment was secured by the U. S. F. & G. from the gang's hideout in Baltimore. Morgan E. Dudley, city supervisor, will be in charge of the meeting, which will stress the desirability of agents and brokers producing burglary business. W. J. Jeffery, superintendent of the casualty department, and Martin Patt, superintendent of the burglary department, will speak.

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WORKMEN'S COMPENSATION

Fight Over Anti-Stop-Loss Bill in Michigan

LANSING, MICH. — Possible compromise through amendments is seen as likely to quiet the controversy which has arisen over two department-sponsored bills designed to discourage and regulate activities of unauthorized carriers.

One bill is aimed at employer "counseling" services that advise clients to self-insure their compensation risk and obtain excess aggregate or "stop loss" cover from unauthorized carriers, chiefly London Lloyds.

F. A. Morrison, head of Corporate Service, Detroit, leader in the compensation "counseling" field, appeared against that bill and the uniform unauthorized model act supported by the commissioners' convention. He denied that he has represented Lloyds but argued that the proposed laws would work a hardship on his clients, several of whom had their own representatives present to speak. All claimed they had been subjected to unjustly high rates by licensed companies and had effected big "savings" by adopting the Corporate Service program. They contended its adjustment policies were more liberal than those of authorized carriers.

L. J. Carey, counsel for Michigan Mutual Liability, in supporting the bills, said they could not be used to prevent employers making Lloyds contracts outside the state.

Morrison said Car & General, Columbia Casualty, and Excess are ready to write stop loss if permitted.

Proponents of the bills said it is unfair to block sound legislation approved by supervisory authorities at the behest of this small group that is demanding favoritism. Carey asserted that employers have the equivalent of any stop loss advantages through the retrospective rating plan. Seth Burwell of the department said that since a rating bureau was established the business has been stabilized and average filed rates have been reduced approximately 14 percent.

Other speakers included Clyde B. Smith, Lansing, who asserted the organized agents favor "more departmental supervision rather than less" and C. L. Miller, manager Standard Accident, Detroit.

Kill Four Sections of Broad Pa. Compensation Law

Four sections of the liberalized Pennsylvania compensation act have been invalidated by the supreme court of that state. These are the sections making the employer liable for compensation of employees of subcontractors, whether injured on the employer's premises or not; providing that the right to receive compensation shall not be affected by the fact that a minor or other employee on account of whose injury or death the benefits are claimed was violating any law or rule of regulation of the business or industry or a positive order of the employer at the time of the injury; providing that discharge of an employee who is suffering from an occupational disease and inability of the employee to obtain other employment within six months shall be prima facie evidence of negligence on the part of the employer; providing that when an employee is injured in the course of his employment it shall be presumed that the employer's negligence caused such injury and that anything the injured employee said within 12 hours of his injury shall be admissible as competent evidence.

The supreme court declined to rule on the question of unreasonableness of the scale of benefits under the act. That question was returned to the Dauphin county court, but the supreme court opinion warned that in seeking to benefit labor, costs must not be permitted to reach a point where they "kill the goose that laid the golden egg."

Mississippi Now Only State Lacking Compensation Law

NEW YORK—Now that Arkansas has enacted a compensation law, Mississippi is the only state that does not have such a statute. Of the territories, Alaska, Hawaii and Porto Rico have compensation measures.

Wisconsin, in 1911, was the first state to enact compensation law. New York passed a statute in 1910, but because of numerous flaws, it was declared unconstitutional, and three years elapsed before the basic measure now in force became operative. By 1919 most of the states had compensation laws.

Hearing on Massachusetts Report

BOSTON—The exhaustive report of the Massachusetts recess commission which has been making a study of workmen's compensation was given a full day hearing before the legislative committee on labor and industries. It was then decided to continue the session at a later date. Organized labor favors the recommendations for a compulsory workmen's compensation act and the organization

of a service insurance company promoted by workmen. Joseph A. Parks, former chairman of the industrial accident board, urged the compulsory act proposal on the ground that the current system has become outmoded. Private insurance interests, generally, opposed the suggestions, although they will not be heard in full until the postponed hearing.

Florida Rate Hearing April 15

TALLAHASSEE, FLA. — Commissioner Knott has set an open hearing for April 15 on proposed workmen's compensation rates to become effective July 1.

Labor and Industry Confer

Labor and industrial interests in Illinois held a meeting in the industrial commission office at Chicago to formulate a united policy regarding workmen's compensation bills in the present legislature. No action was taken and additional meetings will be held in the near future. There is a monopolistic state fund bill on file in the assembly and also a bill to increase weekly benefits from \$13, the present maximum, to two-thirds of the weekly wage. Amendments have been prepared by some interests to the second injury fund statute,

which provides that where loss or loss of use of one member has been sustained, if a second member subsequently is lost, a pension will be paid. The amendment seeks to secure more money to stabilize this fund and also provides for its audit. Under the amendment the extra money would come from the no dependency death benefit.

Study Means of Promoting Stock Casualty Coverages

NEW YORK — Officials of member companies of the National Bureau of Casualty & Surety Underwriters are devoting intensive study to possible means for increasing still farther the popularity of stock insurance, and of aiding the agency force of the country in increasing present coverages. Light on the subject is being secured from every possible source, and all suggestions advanced carefully analyzed as to their soundness and practicability.

The trophy awarded by the Fireman's Fund Indemnity for the past five years to the San Francisco police district station with the best traffic accident improvement record, was presented at a luncheon there by B. G. Wills, vice-president.

A NAME
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NEWS OF THE CASUALTY COMPANIES

Smaller Outfits Seeking Lloyds America Business

DALLAS—Receiver Sam McCorkle of Lloyds America, which ceased doing business after an investigation by Texas department, has moved his headquarters to San Antonio and will direct liquidation from its home office city. He believes he can facilitate the receivership by this move and keep closely in touch with affairs in Texas and the 11 other states it operated.

He has not gone far enough into the affairs of the outfit to determine the impairment or whether "guarantors" will be assessed for payment of claims. It is understood under the plan of operation the subscribers or "guarantors" as they are called, are liable for the amount of their individual contracts.

It was understood at the time of the receivership that the Lloyds was about \$200,000 in the red, and reports in insurance circles now are that claims may be \$500,000 more than assets.

It is reported that Lloyds organized recently in Dallas, Fort Worth and San Antonio, as well as those which have been in business in Texas for longer periods, are hot on the heels of the "guarantors" of the big outfit, hoping to get some of the business of the defunct concern. However the smaller Lloyds apparently are having little success along this line. It is said most of the business and industrial firms that "had their insurance" in Lloyds America are about "washed up" on that plan of protection and are turning to the stock companies.

RULING ON INDIANA CLAIMS

INDIANAPOLIS—Payment of claims on compensation insurance are the only valid claims which can be

made against \$25,000 in government bonds held by the Indiana department as security for Lloyds America, the circuit court here ruled in an action growing out of a claim made by two South Bend attorneys seeking payment of \$3,500 attorney fees.

The bonds now are worth about \$28,000. The court recommended to the insurance department that the deposit be liquidated, claims assembled and preparation made for a formal statement of claims. It is estimated that about \$13,000 in compensation claims are outstanding in Indiana.

MANY CLAIMANTS CAUGHT

The failure of Lloyds America of San Antonio has caught many claimants. This is particularly true with workmen's compensation where hospitals and doctors took care of injured persons. There are many unpaid automobile claims.

TENNESSEE TRUCKERS HIT

NASHVILLE, TENN.—The motor vehicle division of the state railroad and public utilities commission has ordered 65 Tennessee truck operators to file new insurance contracts immediately. They held policies of Lloyds America, which is now in receivership. It was said to have had quite a large volume of business in Tennessee and its annual premiums in this state on trucking firms alone are estimated at upwards of \$200,000.

Will Soon Locate in St. Louis

R. L. Alexander of Detroit, manager of American Automobile, who was elected vice-president, will locate at the head office in June. He has been dividing his time between St. Louis and Detroit. He is now getting his successor, W. S. Ewald, established in office. He

was formerly assistant manager at Detroit and then manager at Kansas City.

Anchor Casualty, St. Paul, has amended its charter to make its authorized capital \$500,000 instead of \$250,000.

PERSONALS

Mrs. Grace Wolff, 62, wife of W. M. Wolff, resident vice-president for Wisconsin and upper Michigan of the Fidelity & Deposit, died at a Milwaukee hospital after an illness of four months. Besides her husband, a daughter survives.

Ray Murphy, assistant general manager Association of Casualty & Surety Executives, will speak at the annual award dinner of the Minnesota Safety Council in St. Paul, April 11.

Walter Cline, 62, well-known Portland, Ore., casualty man, died suddenly from a heart attack. In 1913 he joined the United States Fidelity & Guaranty in Seattle, and some 15 years ago removed to Portland as assistant manager of that company. For the past eight years he had been in business for himself.

Henry D. Clark, who was a veteran in the plate glass insurance business, died in New York at the age of 84. His last connection was with Preferred Accident and he was retired from active service several years ago. He was born in Ottawa, Ill. In his day he saw service with the old Metropolitan Plate Glass, Pennsylvania Casualty of Scranton, Massachusetts Bonding, Great Eastern Casualty and Union Indemnity.

Fred L. Nesbitt, manager of the Standard Accident's bonding department in Pittsburgh, died after an illness of two weeks. He had influenza and pneumonia developed. Mr. Nesbitt secured his initial surety training with the American Surety. About 1921 he went with the Fidelity & Deposit, working in the southern field under J. Morton Morris, who was then in charge of the southern department. When that office was closed, Mr. Nesbitt continued as special representative for the southern states. He was later made manager at Atlanta when the branch was reestablished. He then joined the Standard Accident at the home office, traveling as special production and underwriting representative. He was located in Washington for the Standard for several years and then was made bond manager at Pittsburgh. Mr. Nesbitt was about 50 years old and was a native of Virginia. He had a thorough knowledge of suretyship.

ASSOCIATIONS

Oppenheimer in Boston

BOSTON—State Senator E. S. Oppenheimer, local agent of Springfield, Mass., will address a dinner meeting of the Association of Casualty Underwriters of Boston.

Charlton Los Angeles Speaker

LOS ANGELES—H. Everett Charlton of the Seyler-Day Co., addressed the Casualty & Surety Field Men's Association on "Agency Relations and Agency Problems."

At the monthly meeting of the **Dallas Claim Men's Association**, with 45 in attendance, O. F. Ellington, general claim agent Texas & Pacific Railway, was the speaker.

Accountants Meet April 12

NEW YORK—At the annual meeting of the Association of Casualty & Surety Accountants & Statisticians here April 12 discussion will be conducted on reports by the committees on taxes, annual statement and casualty experience exhibit and that on accounting. Members will be free to talk upon any current problem affecting the statistical

phase of the business with which they are identified. G. D. Moore, Standard Surety & Casualty, is president.

LEGISLATION

Vermont—The senate has killed a bill requiring examinations of insurance agents before granting them licenses.

Rhode Island—The house has passed a bill giving hospitals liens on damage claim settlements in accident cases.

Massachusetts—The insurance committee has filed a favorable report on the bill backed by Commissioner Harrington that mutual casualty companies shall be required to have at least \$200,000 in guaranteed capital and \$100,000 in insurance premiums prior to being granted a charter.

The insurance committee reported adversely on a bill to authorize the insurance department to establish a merit rating system in connection with the compulsory automobile liability insurance act when establishing rates. Commissioner Harrington expressed disapproval of the plan.

A bill to limit the surplus of fidelity, surety and casualty mutual companies to 25 percent of the premiums of the previous five years, or \$1,000,000, whichever shall be greater, sponsored by the Service Men's Protection Association was heard by the insurance committee, with a continuance to next week. Manager Harold P. Janisch stated the bill was not aimed at any specific company but was merely applying the principle of limitation of fire companies to casualty companies. He maintained casualty companies could allocate surpluses to particular classifications creating ruinous competition. No income tax is paid on such accumulations of surplus.

Arthur D. Cronin, broker, stated openly the bill affected principally the Liberty Mutual which has built up a tremendous surplus.

Labor interests are backing a bill to provide a state health insurance plan to be operated by the workmen's compensation bureau.

Ohio—The senate has passed a bill requiring new sick and accident insurance companies to have a minimum capital of \$50,000. The senate has passed a bill which prohibits accident and sickness insurance associations, but provides that nothing in the act shall prevent the renewal of companies now authorized to do business.

The senate passed a bill requiring all automobile insurance carriers to file rate schedules with the insurance superintendent. It prohibits giving rebates to fictitious fleets. The Ohio Association of Insurance Agents and Ohio insurance division favored the measure, but it was opposed by a certain type of finance companies.

Pennsylvania—A bill to extend occupational disease benefits for partial disability and to increase the employer's liability from \$3,600 to \$7,200 has been introduced.

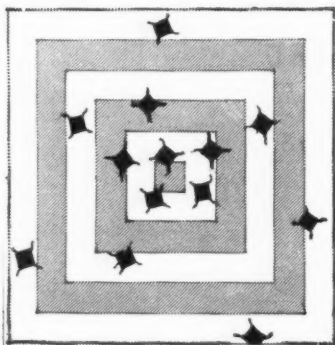
House bill 659 authorizing an investigation of the need for compulsory automobile insurance or automobile accident compensation laws, has been introduced.

Michigan—Senator Fenner's automobile financial responsibility bill permits a motorist to clear himself through bankruptcy. Representative Hamilton's bill eliminates the \$150 or more limit for unpaid judgments and makes it any judgment.

The bill permitting casualty companies to write automobile fire lines has been rereferred to the senate insurance committee where it will be pigeonholed. Senator Hammond's substitute bill permits automobile specialty companies to write other casualty lines, excepting compensation. A similar bill is offered by Representative Sawyer.

Gustave A. Blumenreiter, Jr., secretary Crescent Brokerage Corporation, New York, died as the result of an automobile accident which occurred about a month ago.

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PROVIDENT
Life and Accident
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Chattanooga—Since 1887—Tennessee

Bar Group Must Prove Adjuster Is Practicing Law

(CONTINUED FROM PAGE 21)

practicing medicine or dentistry. Citations were given of such rulings in the field of medicine and dentistry.

Wilkey in commenting on the decision said that it was all that the adjuster could ask, and that he will now be allowed a trial by jury, which was denied to him the first time. He said it looked as though various business interests, including real estate people, life insurance companies and others, would be drawn into the fight before it is over. He feels confident that no jury of 12 men will say he is practicing law in following his profession.

The Wilkey case was the first brought by the Birmingham Bar Association with the announced purpose of "cleaning up" adjusters, followed later by a suit against a score of companies and adjusters. The latter case was postponed to June 19 when called in circuit court last week, to allow for a decision in the Wilkey case and in the case now pending before the Missouri supreme court.

FORMULA IS APPROVED

National Conference on Adjusters in Chicago Parley Finds Statement of Principles Well Received

The national conference committee on adjusters, which is composed of five lawyers and five representatives of insurance organizations, at a meeting in Chicago Sunday received reports from seven insurance organizations approving and ratifying the statement of principles that was recently issued by the conference committee. This statement was an outline of the proper sphere of activity of adjusters in handling insurance claim work.

The organizations that have adopted resolutions endorsing the statement of principles, are: National Board, Association of Casualty & Surety Executives, International Claim Association, National Association Independent Insurance Adjusters, Federation of Mutual Fire Insurance Companies, National Association of Mutual Casualty Companies, National Association of Automotive Mutual Insurance Companies.

H. B. Brennan Gives Report

H. B. Brennan of Savannah, Ga., reported that he had sent copies of the statement of principles to the chairmen of state and local unauthorized practice committees throughout the country. He stated that the general tenor of the replies that have been received has been extremely favorable toward the position outlined by the conference committee. Mr. Brennan is chairman of the unauthorized practice of the law committee of the American Bar Association and is a member of the National Conference Committee on Adjusters.

The next meeting of the conference committee has been set for July 9 at San Francisco in conjunction with the annual meeting of the American Bar Association. This committee will meet from time to time to pass upon questions that arise in the adjusting field.

SOUTH CAROLINA TEST CASE

A test case has been started by the unauthorized practice of law committee of the South Carolina Bar Association against R. M. Wells, claim representative of American Mutual Liability. It is a contempt action before the South Carolina supreme court on original jurisdiction. The bar committee alleges that Wells has been guilty of illegal practice of law by appearing before the industrial commission, taking state-

ments, releases, etc. Some time ago the South Carolina industrial commission ruled that lay adjusters might not appear before the commission at hearings. Later, however, that ruling was modified, permitting lay adjusters to act.

Pledge Continuance of Reid Policies

(CONTINUED FROM PAGE 21)

may-Darling-Clarkson Co., Chicago, and C. E. Hyde of Port Washington, L. I.

A COLORFUL DINNER

The dinner tendered A. Duncan Reid, retiring president of the Globe Indemnity, by the chairman and directors of the Liverpool & London & Globe was a colorful affair, and one that will long be remembered by those privileged to attend it. In addition to high officials of the owner company who journeyed from Liverpool to do honor to Mr. Reid, were outstanding agents and officials from every state of the union. The decorations in the immense ball room were in excellent taste, eliciting warm praise. Equally generous commendation was ac-

corded the vocal selections rendered by the glee club of the Royal-Liverpool group. Through the medium of loud speakers the remarks of Toastmaster Harold Warner, U. S. manager of the Royal-Liverpool, and those who responded to the toasts, were distinctly heard in every quarter of the room. The complimentary references to Mr. Reid, and to Kenneth Spencer, the new president, made by the different speakers, were greeted with continued applause, evidencing the popularity of both men.

Wives Occupy Boxes

Mrs. Reid and the wives of other officials of the Globe Indemnity, occupied boxes during the post prandial exercises. Mrs. Reid made a graceful gesture in acknowledgment of a set of silver candelabra presented by the directors. Mr. Reid was presented two oil paintings of himself: one to go to his home, and the other to hang in the company's board room.

Doubtless as the honor guest surveyed the great gathering before him, his mind traveled back to a day in 1911, when in a small room in the old L. & L. & G. building at 45 William street, he formulated plans for launching the Globe Indemnity. While confident that the program he had determined upon would prove successful, for the word

failure is unknown to Mr. Reid, he little dreamt that the child of his imagination would within the succeeding 28 years attain anything like the proportions it did. As was pointed out by one of the speakers, the last year of Duncan Reid's administration proved to be the most prosperous in the history of the corporation; a fitting conclusion to a long series of successes.

Not the least valuable attribute possessed by Mr. Reid is his ability to pick the proper type of co-workers, and to inspire them to their best effort. All officers of the Globe Indemnity; its divisional heads and many of its field representatives were personally selected by him, and have justified the choice. Notable among the number is Mr. Spencer, in whom Mr. Reid long ago divined executive ability and whom he figured would be able to carry on after he was ready to lay down the presidency. That Mr. Reid's recommendation of his successor appealed to the directors was evident through the prompt and unanimous endorsement they gave it.

With the retirement of Duncan Reid there passes a stalwart figure from the field of casualty insurance. Fortunately he is succeeded by one of tried and proven worth.

"The United States," said J. D. Simpson, home office general manager of the

ROBBING PETER TO PAY PAUL

ROBBING PETER TO PAY PAUL. On the 17th of December, 1540, the abbey church of St. Peter, Westminster, was advanced to the dignity of a cathedral by letters patent; but ten years later it was joined to the diocese of London again, and many of its estates appropriated to the repair of St. Paul's Cathedral.

—Cathedrals, Winkle.

There is no compromise between price and dependable insurance protection and service.

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A Stock
Company

The
Buckeye Union
Casualty Co.
HOME OFFICE
Columbus, Ohio

Territory in
Ohio and
Indiana

Liverpool & London & Globe, in the course of his response to the toast "American Insurance," at the Reid dinner, "is the greatest insuring nation in the world. Until the day dawns when living comfort for the multitude has reached its peak, there can be no such thought as saturation point in the progress of insurance. Insurance is one of the greatest socializing factors in the world today. It is a great mistake to permit other people to think of insurance as capitalistic. Here is a business alleviating the misfortunes of great numbers who have met with accident or disaster and who are individually unable to bear their misfortunes. Insurance takes numerous risks for minute units of profit. Thousands of agents give their energies, their initiative and their service to hundreds of thousands of clients through multitudes of policies all through the years. Divide the profit any agent or company makes by the number engaged in making it, and the individual unit per contributor is almost insignificant. Divide by the number of policies, and it is smaller still. Administration costs are mounting higher every year; taxation gets no less, and has attained a sizable share of each dollar of premium. Fortunately, for the time being, claims are moderate, but investment problems are difficult; interest rates are low, and the tax collector is increasingly attentive, and still insurance continues to give more and get less for it," said Mr. Simpson.

Arthur E. Pattinson, chairman of the board; Mr. Simpson, Capt. P. M. Spence, financial secretary, and Lord Cornwallis and J. A. Falconer, directors, of the Liverpool & London & Globe, sailed for home on the Aquitania April 1.

When Mr. Spencer formally assumed the presidency of Globe April 1, he found his office converted into a veritable floral garden. Baskets of cut flowers, tributes of friends, covered every possible desk and table space. Brokers and other well wishers called in large number to extend congratulations.

Topical Situations at Group Sessions

(CONTINUED FROM PAGE 5)

rules without first conferring and notifying state officers. It was also unanimously agreed that each policy should be written in the office of the local resident agent and not in company offices.

The matter of changes in the broker of record letter rule was also referred back to individual state organizations as the problems involved seemed somewhat localized and did not apply equally to entire eastern territory.

After considerable discussion of the failure of the supplemental contract to cover the rising water and other indirect damage in the New England hurricane Chairman Cole was asked to appoint a committee of five men to make a study of the rules and forms of extended coverage contract and to so advise E.U.A. and that the results of this study should be turned over to the state associations to be taken up in accordance with the needs of each specific state.

Insurance Education

At the joint meeting, Sidney Smith, Gainesville, Ga., chairman executive committee, presided. L. P. McCord, Jacksonville, told about the development of the Florida insurance school, the first of its kind.

W. H. Jennings, Jr., Rockford, Ill., spoke of the insurance institute conducted at East St. Louis under the auspices of Regional Vice-president Dudley Giberson of Alton. The program offered a day's intensive educational work.

S. G. Otstot, manager North Carolina Association of Insurance Agents, gave the highlights on the North Carolina insurance school established this year at the University of North Carolina. Of

the registrants 42 percent were agency employees, 38 percent agents and 20 percent company men. There were 18 lecturers. T. G. Redden, Greensboro, N. C., spoke in approval of these state schools. C. E. White, Oakland, Cal., explained the procedure followed whereby his state body arranged with the extension division of the University of California to carry on an insurance course. There are two courses—one very elemental, the other more advanced.

Donald Holmes, Summit, N. J., told the main features of the New Jersey association educational plan conducted through the University of Newark. Aside from the regular insurance instruction there are courses in economics, finance, insurance law and public speaking. The New Jersey body has projected this course into the rural areas.

J. M. Crosby, Jr., Grand Rapids, Mich., chairman membership committee said there is now no net gain due to the Ohio secession. Even with this he predicted that at the end of the fiscal year there will be shown a net gain and the Ohio loss will be overcome. Much work will be done in promoting the co-extensive membership plan with agents associations. President W. H. Menn urged the utmost attention to membership.

R. W. Forshay, Anita, Ia., chairman rural agents committee, presented an analysis of the new suggested guide and agenda for state association rural agents committees. E. S. Moore, Birmingham, called attention to the Farm Security Administration which takes over foreclosed farms and leases, then sending back stock company policies saying that the insurance is being placed in mutuals at 60 cents. Mr. Moore said the government bureaus are fixing rates for insurance. Chairman Smith said a protest will be made to congressmen on this subject.

Kennedy to Commercial Casualty

J. P. Kennedy has been appointed manager accident and health department of Commercial Casualty's Chicago branch under Vice-president W. E. Tucker. He succeeds F. P. Plotke, who will assume similar duties in the western department.

Mr. Kennedy has been with Continental Casualty since 1924, assisting A. D. Anderson in the accident and health department of the Chicago branch office. Previous to that time he was with the Aetna Casualty for three years.

Mr. Plotke has been with the Chicago branch of Commercial Casualty since January, 1937. Previous to that he was manager American Casualty Chicago branch office. Before that he was with Commercial Casualty.

Old Line's New Hospital Form

A new hospital policy was announced this week by the Old Line Life of America, Milwaukee, available for men, women and children ages 5-70, at a premium of \$9.50 annually and \$5 semi-annually. Indemnities are reduced one-third between ages 5-14, and 60-70, inclusive.

It provides \$3 a day for hospital up to 30 days in any policy year and in confinement cases \$3 a day for not more than 10 days. It also provides fees of \$5 each for operating room, x-ray and anaesthesia and \$2 for laboratory.

Restrictions are similar to those incorporated in hospital policies offered by other companies.

Names Seal Assistant Comptroller

Maryland Casualty announces appointment of Murray Seal as assistant comptroller and auditor and R. S. Gochenour as assistant comptroller. Mr. Seal has been associated with the company since 1900. He was named auditor in 1923. Mr. Gochenour went with Maryland in 1934. Previously he was comptroller of Security National Bank of Greensboro, N. C.

Broderick Chairman, Great Lakes Retains Crawford

DETROIT—A number of changes were made in the official setup of Great Lakes Casualty, which recently passed into the control of D. F. Broderick, president Dearborn National and Service Fire and of D. F. Broderick, Inc., well known brokerage house. Mr. Broderick becomes chairman of the board and C. M. Verbiest, vice-president Dearborn National, becomes vice-chairman. Armstrong Crawford remains as president and J. C. Ketchum remains vice-president of Great Lakes Casualty. H. J. Kennedy, formerly secretary and treasurer, was made vice-president. M. R. Olp, vice-president Dearborn National, becomes vice-president of Great Lakes Casualty and D. P. Dinwoodie, also a Dearborn National vice-president, was made vice-president and comptroller. L. G. Goodrich becomes treasurer and L. P. Schaff remains assistant secretary and treasurer. Rodney Stock and H. C. Fach were promoted to assistant secretaries in charge of claims and underwriting, respectively.

Messrs. Broderick, Verbiest, Dinwoodie and Olp and J. T. Higgins and D. F. Valley were made directors of Great Lakes Casualty. They are also directors of Dearborn National. Of the old directors of Great Lakes Casualty, Messrs. Crawford, Kennedy and Ketchum and W. A. Doyle were retained. The company expects to adjust its capital structure and enter into new territory during the coming year.

Aim Suit at Omaha Company

LINCOLN, NEB.—Suit was begun in district court Tuesday by J. J. Marx and William Munger, policyholders, asking that the court find that the \$2,918,000 reserve held by the Mutual Benefit Health & Accident of Omaha be declared the property of the policyholders and that distribution be made of the funds to policyholders as excess premiums collected on their contracts.

They contend that the entire capital stock of the United Benefit Life is owned by the members of the Criss family, who control the health and accident company, and that they use the agency force of the latter, which belongs to its members, for the purpose of developing the life company, and that both are being operated for their personal benefit. The salary account is attacked in the suit.

It is alleged that higher premiums are charged than are required to pay losses and operating expense in the total sum of \$2,918,473; that \$380,900 consists of an unauthorized fund known as reserve for fluctuations; that \$1,646,473 was put into another unauthorized fund as reserves for non-cancellable policies when it does not write such policies, and the remainder in contingent and unassigned funds.

The Iowa legislature has just completed action on a bill legalizing group hospital insurance on a non-profit basis. The senate passed the measure and sent it to the governor. At present the laws make no provision for licensing hospital benefit companies and forbid organization of non-profit corporations doing an insurance business. The bill was backed by the Iowa Hospital Association which plans to operate on a 75-cent a month premium with 21 days coverage.

Agents Wanted

BEAUTY SHOP LIABILITY INSURANCE

Policies written by Responsible American Company in business over 26 years.

LOW COST • REGULAR COMMISSIONS

C. T. KIPLINGER, General Agent
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Division of Auto Business in Minnesota Is Shown

ST. PAUL—Figures compiled from 1939 report in the Minnesota department show how the principal automobile lines were placed in the state last year.

Bureau Stock Companies		
	Premiums	Losses
Auto liability	\$1,350,628	\$ 598,358
Property damage.....	424,462	152,845
Collision	14,141	9,583
Totals	\$1,789,231	\$ 760,786
Non-Bureau Stock Companies		
Auto liability	\$1,804,520	\$ 817,606
Property damage.....	494,009	178,816
Collision	81,563	43,957
Totals	\$2,380,092	\$1,040,379
Mutuals		
Auto liability	\$2,854,516	\$1,269,952
Property damage.....	920,180	353,507
Collision	608,852	357,981
Totals	\$4,383,548	\$2,081,440
Reciprocal		
Auto liability	\$ 280,416	\$ 73,838
Property damage.....	114,655	30,768
Collision	19,338	8,205
Totals	\$ 414,409	\$ 112,811

Claim Men Hear Safety Talk

SAN ANTONIO—Captain J. D. Moffett of the statistics division of the Texas public safety department, was the guest speaker of the San Antonio Claim Men's Association.

A. L. Zepf, Boiler Man, to Toledo

A. L. Zepf, special agent Hartford Steam Boiler, formerly located at Louisville, has been transferred to Toledo, where he will travel northern Ohio and northern Indiana. B. C. Lee has been appointed special agent at Louisville, succeeding Mr. Zepf, with quarters at 929 Kentucky Home building.

Court Hits Illinois Guest Law

DIXON, ILL.—The circuit court here held the Illinois "guest law" unconstitutional on technical grounds. This statute permits a non-fare paying passenger to recover damages from the driver of an automobile only in the event of wilful and wanton misconduct. This ruling arose out of a complicated personal injury suit, involving a number of claims and counter claims. It is expected that an appeal will be taken.

Ohio Managers Consider Bills

The Ohio Association of Casualty & Surety Managers at a meeting in Columbus this week discussed legislation pending in the general assembly. Arrangements are being made through the Ohio Bankers Association to have a member of the managers organization address county meetings of bankers throughout the state during the coming months on the general subject of insurance.

Indianapolis Agency Continues

Hill & Hill Indianapolis agency which was owned and operated by N. H. Richardson, who died last week, will be continued under the same title by his widow and Miss Jean Callahan, who has been office manager for many years. E. T. Tanner, executive assistant manager western department Security, and W. C. Fiand, agency superintendent Allemania, were in the city and completed arrangements. The agency started in 1898.

Kenneth Tolley, local agent of Colorado Springs, entered a contest covering nation-wide for new memberships in the Isaak Walton League. He was high man in Colorado and also won the national prize. For being the first high in Colorado he received a \$65 fishing rod and for being high nation-wide he received a fine pistol.

H. G. Kemper, executive vice-president American Motorists, Chicago, accompanied by Mrs. Kemper and H. G. Kemper, Jr., is visiting Los Angeles.

Report Missouri Grand Jury Is Winding Up Its Quiz

(CONTINUED FROM PAGE 14)

checking up now to ascertain whether the federal income taxes were paid by those who received the funds.

The federal income tax angle is the one that brought the federal grand jury into the investigation. Any political corruption in connection with the rate case compromise would ordinarily be a matter for the state courts.

Witnesses called for this week included James P. Aylward, Democratic national committeeman of Missouri, and three prominent Jackson County Democratic leaders: George Harrington, Mrs. Margaret A. Benoit and Mrs. Eleanor Swope.

Among other witnesses called this week was Captain Elizah H. Matheus, until recently private secretary to T. J.

Pendergast, and L. F. Jordan, president Sanitary Service Company, which has the contract for the disposal of Kansas City garbage; Ralph E. Glover, manager of a stock farm owned by Pendergast; W. T. Doherty, president Atlas Lumber Company, and Woodrow Glenn, bookkeeper for that concern; Miss Helen English, former owner of the Clay County farm, Albert F. Hillix, an attorney who has specialized in income tax matters.

Miss Lettie Howell, in charge of the bond department of the Maryland Casualty in Little Rock, celebrated her 27th anniversary in the casualty business in Arkansas. A party was held in her honor, the staff presenting a bouquet of 27 roses. She started in insurance March 1, 1914, and has been associated with three Maryland Casualty general agents, first with the insurance department of the Southern Trust Company.

The manufacturer
will hear about this

IN COURT

**Products Liability Contract
offers an excellent opportunity to increase your
premium income.**

Many manufacturers and their distributors fail to realize that misapplication or misuse of their products does not relieve them of liability for personal injuries.

Many claims of this type prove to be not only costly, but injurious to the prestige of the manufacturer as well.

A Products Liability Contract underwritten by prominent underwriters and offered through this organization, provides adequate and comprehensive protection against claims of this type. Full information will be sent on request.

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Going to the Fairs?

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Our Assureds who plan to drive are urged to make sure, before leaving home, that their Claim Directories are in their cars, so that they will know where to turn for help by day or night or holiday, in case of an accident.

NEW AMSTERDAM CASUALTY CO.

Compare Premiums Retained, Ceded

(CONTINUED FROM PAGE 6)

Caledonian	1,050,330	426,500	40.6	Dubuque F. & M....	1,760,757	615,676	34.9
521,465	196,160	37.6	941,772	345,766	36.7		
49.6			53.4				
1,467,338	643,118	43.8	3,109,101	1,239,124	39.8		
606,883	225,665	37.1	1,126,576	432,223	38.3		
41.3			36.2				
California	1,047,937	393,911	37.5	Eagle Star	1,202,129	609,348	50.6
976,746	361,204	36.9	695,319	369,935	53.2		
93.2			57.8				
1,365,309	558,418	40.9	1,981,041	1,069,623	53.9		
1,498,598	583,171	38.9	2,471,582	1,591,137	64.3		
109.7			124.7				
Camden Fire	3,201,842	1,285,670	40.1	Empire State	820,295	319,317	38.9
1,257,924	414,057	32.9	358,915	162,605	45.3		
39.2			43.7				
5,542,572	2,532,266	45.6	1,218,516	464,073	38.0		
1,556,881	540,694	34.7	420,337	185,737	44.1		
28.0			34.4				
Carolina	457,753	155,459	33.9	Employers Fire	1,266,545	452,344	35.7
576,945	262,514	45.5	579,640	327,990	56.5		
126.0			45.7				
782,781	380,819	48.6	2,494,015	904,579	36.2		
879,500	390,597	44.4	795,648	467,894	58.8		
112.3			31.9				
Central, Balt.	742,049	265,958	35.8	Equitable F. & M....	634,592	250,470	36.5
588,317	142,536	24.2	1,317,184	505,655	38.3		
79.2			192.4				
1,016,325	393,825	38.7	1,038,055	409,960	39.4		
816,007	237,295	29.0	1,948,143	745,479	38.2		
80.2			187.6				
Cent. Manf. Mut....	2,639,359	839,867	31.8	Eureka Security....	1,111,278	472,681	42.5
494,572	156,217	31.5	1,568,381	483,891	30.8		
18.7			141.1				
3,818,190	1,199,753	31.4	1,759,527	764,832	43.4		
545,907	163,232	29.9	1,922,656	610,716	31.7		
14.2			109.2				
Century	913,748	442,340	48.4	Farmers Mut. Re....	1,365,219	168,835	12.3
706,177	357,492	50.6	20,765	6,783	32.6		
77.2			17.2				
1,638,187	1,042,928	63.6	1,913,539	266,857	13.9		
901,402	496,494	55.0	87,659	97,191	99.5		
55.0			5.1				
Christiana General..	1,102,494	606,428	55.0	Federal Union	550,096	151,855	28.6
93,603	10,360	11.0	826,171	360,540	43.6		
8.4			155.8				
1,525,114	804,646	52.7	781,034	272,536	34.8		
101,802	21,902	21.5	1,191,315	503,455	42.2		
6.6			152.5				
Citizens, N. J.	273,914	94,640	34.5	Fid. & Guar. Fire...	2,046,861	750,353	36.6
2,076,887	920,996	44.3	700,309	355,245	50.7		
758.2			24.2				
378,735	150,036	39.6	4,302,570	1,700,581	39.5		
3,332,524	1,444,203	43.3	1,071,224	545,634	50.9		
879.9			24.8				
City of New York...	1,067,148	450,398	42.2	Fidelity-Phenix	9,908,294	4,085,382	41.2
1,803,082	779,309	43.2	1,179,359	652,765	55.3		
168.9			11.9				
2,222,721	1,343,000	60.4	15,619,702	7,011,079	44.8		
2,588,734	1,242,728	48.0	2,732,487	1,192,815	43.6		
116.4			17.4				
Columbia Fire, O...	376,208	148,635	39.5	Fire Association	4,933,398	1,880,537	38.1
996,832	385,072	38.6	2,462,301	1,118,087	45.4		
264.9			49.9				
522,830	232,166	44.4	7,409,441	3,924,725	52.9		
1,303,451	496,471	38.0	3,459,669	1,994,493	57.6		
249.3			46.6				
Columbia, N. J.	533,705	194,021	36.3	Fireman's Fund	7,590,865	2,686,390	35.3
746,413	278,226	37.2	1,325,487	754,557	56.9		
139.8			17.4				
683,545	269,182	39.3	15,251,308	6,937,252	45.4		
938,044	434,290	46.2	3,464,833	2,142,700	61.8		
137.2			22.7				
Commerce	996,068	353,272	35.4	Firemen's, N. J.	9,334,904	3,341,646	35.7
244,585	116,367	47.5	8,283,371	2,859,723	34.5		
24.5			88.7				
1,416,638	595,074	42.0	12,592,099	4,742,754	37.6		
289,892	127,005	43.8	11,683,788	4,166,818	35.6		
20.4			92.7				
Coml. Union, Eng...	3,004,804	1,125,516	37.4	First Amer. Fire...	584,480	214,876	36.7
5,411,412	2,179,324	40.2	693,556	287,171	41.4		
3,920,066	1,527,498	38.9	118.6				
72.4			874,847	404,467	46.2		
Coml. Union, N. Y..	645,462	243,255	37.6	1,049,222	591,184	56.3	
926,595	346,773	37.4	119.9				
143.5			3,185,625	1,199,898	37.6		
824,741	350,809	41.0	5,257,722	2,112,857	40.1		
1,381,667	544,118	39.2	165.0				
161.6			6,300,476	2,583,210	56.8		
Commonwealth	1,286,891	460,255	35.7	8,003,497	3,443,017	43.0	
323,897	214,793	66.3	127.0				
25.1			313,825	118,172	37.6		
1,898,207	743,180	39.1	825,803	242,365	29.3		
540,165	333,351	61.7	263.1				
28.4			484,993	218,100	45.1		
Concordia	1,251,929	381,623	30.4	1,203,113	465,299	38.6	
1,749,410	745,171	42.5	248.0				
139.7			1,840,742	979,627	53.2		
1,662,248	539,913	32.4	810,554	560,826	69.1		
2,274,123	1,010,918	44.4	44.0				
Conn. Fire	3,422,963	1,252,352	36.5	General, Seattle	4,851,862	1,235,523	25.4
2,639,165	1,014,150	38.4	1,403,837	630,151	44.8		
77.1			28.9				
5,190,278	2,049,804	39.4	7,173,501	2,211,582	30.8		
5,437,896	2,738,572	50.3	1,804,135	749,576	41.5		
104.7			25.1				
Continental	13,338,691	5,188,274	38.8	Gibraltar F. & M....	838,704	279,277	33.2
3,603,623	961,847	26.6	888,317	354,017	40.7		
27.0			103.5				
19,355,771	8,698,028	44.9	1,431,843	732,564	51.1		
7,677,837	1,605,709	20.9	1,186,341	496,462	41.8		
39.6			82.8				
County Fire	347,173	138,610	39.9	Girard F. & M....	1,251,929	381,623	30.4
787,836	246,835	31.3	2,150,110	838,784	39.0		
226.9			171.7				
443,001	183,591	41.4	1,662,248	539,913	32.4		
1,030,887	370,008	35.8	2,671,827	1,052,624	39.3		
232.7			160.7				
Detroit F. & M....	632,655	251,229	39.7	Glens Falls	4,008,597	1,442,021	35.9
1,120,465	509,389	45.4	1,159,542	452,273	39.0		
177.1			28.9				
818,110	340,942	41.6	6,697,815	2,796,485	41.7		
1,417,020	661,589	46.6	3,879,014	945,156	24.3		
173.2			57.9				
Dixie Fire	186,685	74,316	39.8	Globe & Republic...	2,165,984	859,054	39.6
893,534	463,331	51.8	1,759,324	601,671	34.1		
478.6			81.2				
258,976	116,081	44.8	2,616,183	1,082,990	41.4		
1,395,631	697,349	49.9	2,142,483	765,850	35.7		
639.9			81.3				

Stewart Reviews Surety Situation

(CONTINUED FROM PAGE 19)

ness by local agents or by stock companies. Later a policywriters handbook was prepared more favorable to local agents and stock companies. Under these instructions the borrowing corporation is given the privilege of selecting its own agent and company by proper resolution of the directors or the board may authorize the R. E. A. to place the business in Washington. The R. E. A., he said, has no inclination to influence the manner in which the business is to be handled, leaving it to the borrowing corporation.

Chairman Stewart said it is very necessary that agents contact these borrowing corporations early and make arrangements for their insurance program. He averred that it is understood that over 80 percent of this business is being written by agents in the vicinity of the project.

U. S. Housing Body

In connection with contract bonds for the United States Housing Administration, he said a conference was held in New York City where there was a discussion of rates and acquisition cost. If there was to be any adjustment of rates, Chairman Stewart said, the agents felt the loss of commission on any reduced rate was sufficient burden for them to assume without any reduction in acquisition. A large percentage of these contracts will fall in the large bond class which are specifically rated. On these bonds, he said, the agents have taken a substantial reduction in acquisition, which is a sufficient sacrifice, he thinks, to make.

A fidelity schedule bond has been adopted to be used by the local housing authorities to cover their officers and employees. This business, he said, is available through the agents as each local housing authority has the power to place the fidelity bonds with the local agents. Agents, however, he said, must be aggressive in the early solicitation.

A. A. A. Fidelity Fund

He spoke of the fidelity indemnity fund for the Agricultural Adjustment Administration, saying that the subject has given his committee great concern. In November the Department of Agriculture established an indemnity fund for the purpose of indemnifying the government and the county agricultural conservation associations. This is in lieu of fidelity bonds. The contention, he said, is made that on account of increased duties placed on officers, and increased amount of protection, the cost of fidelity bonds would be doubled and this would be too much of a drain on the individual farmers. Chairman Stewart said that as a matter of fact the cost to the individual farmers at the most would be only a few cents. Chairman Stewart said that the Towner Rating Bureau was not given the opportunity to discuss with the authorities at Washington, D. C., any improved protection that the government desired or any further reduction in rates due to increased liability. While the amount of premiums on this particular line, he added, is not large it is nevertheless a further encroachment by the government on private business.

There is a definite trend, he said, toward self insurance. In some states bills have been introduced seeking to establish state funds for the purpose

of covering losses on public official bonds. None so far has passed.

Chairman Stewart said that the committee is still contending that the acquisition on blanket bonds should be the same as other forms of fidelity. Especially, he said, is this true on commercial and blanket position bonds. They require a higher degree of salesmanship than other forms of fidelity. The agents receive less commission and, therefore, have very little incentive to increase sales. He added that as long as these bonds meet the needs of a large percentage of fidelity insurance buyers the agents should be compensated in proportion to the service which they render. He said the subject is now formally before the acquisition cost conference on fidelity and surety and he hopes for a favorable decision before long.

Memphis Again Wins National Fire Waste Council Award

(CONTINUED FROM PAGE 5)

cities that win the prize for a certain number of years should not be put into a separate class and give other cities a chance to come to the top. Opposition was voiced to this idea by those who contend that if a city is able to stay at the top, no obstacle should be put in its way.

New Hazards Affect Education

New industrial fire hazards which have developed within recent years offset the progress in fire prevention education, better construction of buildings, better fire protection equipment and more efficient machinery, so that fire prevention men face about the same position as they did 30 years ago, said Winthrop M. Jones, chief engineer of the Factory Insurance Association of Hartford, in a talk on "Fire and Explosion Hazards in Industry" at the Fire Waste Council's conference.

Mr. Jones cited actual cases of serious fire hazard development in different industries. For example, 30 years ago in the wood working industry fire hazards were minimized by preventions in the care of storage of finishing materials and eliminating spontaneous ignition hazards by taking care of wipe-cloths and waste. Now extensive and complicated sawdust collecting and refuse disposal systems have to be installed.

Added to the old problems there are now far more serious fire and explosion hazards due to the use of chemicals, inflammable gases and liquids brought about by the ever increasing demand for new products and demand for speed in production. Perhaps the most important change from the fire protection point of view is the ever increasing use of gas and inflammable liquids, such as gasoline or alcohol, for fuel or in processing. Few industries today are without the gas explosion hazard. As a result equipment must be correctly designed and properly operated, said Mr. Jones.

With the introduction of many plastic materials, the dust explosion hazard has increased. A tablespoon full of dust or finely divided combustible material in suspension in air in certain proportions behaves just like a flammable gas.

Glens Falls Secures U. S. Bond

The contract bond for construction of a United States air corps barracks building at Hickam Field, Honolulu, was originated by the Pacific Coast department of Glens Falls Indemnity at San Francisco.

The project which is part of a government fortification program in the Pacific was awarded to R. E. McKee, contractor of Los Angeles and El Paso. The contract price is \$1,158,720.

POINTERS FOR LOCAL AGENTS

Make Money from the Dead by Pushing Fiduciary Bonds

Describing a judicial bond as one of the few forms of protection paid for by a dead man, J. D. Williams, Baltimore, superintendent judicial department U. S. F. & G., described the underwriting and selling of these instruments at the insurance school of the North Carolina Association of Insurance Agents. The 59 bureau companies, he pointed out, wrote approximately \$10,000,000 a year in fiduciary bond business, not including court bonds or any of the miscellaneous bonds classified as judicial. Commissions are ample and many bonds remain in force from 10 to 20 years and some for longer, the agent earning his continued commissions simply by collecting the renewal premiums. The possibility of switching a judicial bond is exceedingly remote and they operate as opening wedges to other business.

After reviewing the fundamentals of judicial bonds, Mr. Williams conducted a "true or false" questionnaire, in which a number of features of selling, underwriting and the application of North Carolina laws were illustrated. Mr. Williams emphasized that in North Carolina the court clerks appoint many fiduciaries and are extremely valuable contacts in obtaining judicial bond business. Lawyers, of course, should always be cultivated.

Advantages of Joint Control

A fiduciary bond, Mr. Williams emphasized, is more than a mere guarantee of the honesty of the fiduciary. It embraces complete fidelity protection, but it is much more than a fidelity bond and is much more hazardous to write. Although not classed as a financial guarantee, in certain circumstances it may resolve itself into one. In addition to the factor of honesty, a surety, personal or corporate, may be liable for negligence of the fiduciary, failure to reduce estate property to possession, failure to pay insolvent estate debts in the order of their legal priority, improper distribution of the estate, personal debts of the fiduciary to the estate or subsequent loans to him, failure to invest strictly according to statutory regulations, failure to account for yields or gains, failure to obey court orders, etc.

Joint control, Mr. Williams continued, is frequently exasperating to agents and some times even to company representatives. He pointed out, however, that only a rare person would trust another to handle his affairs without keeping his own fingers on the pulse of activity. No officer or manager in an insurance company home or branch office has sole access to securities, funds and other assets of the company. Joint control not only reduces the risk to a minimum, but, from the viewpoint of the agent, it is valuable in that it assures the collection of subsequent premiums. It also at least insures the segregation of trust assets from the fiduciary's own property, assures preservation of the record and carries a potent psychological effect on the fiduciary. Agents frequently ask whether they incur any personal responsibility when they exercise joint control. Mr. Williams stated that they do not. An agent is asked merely to use his best judgment and if this is faulty the company will stand or fall with him.

Reviewing the underwriting considerations of fiduciary bonds, Mr. Williams pointed out that the most dangerous

risks, frequently declined and always requiring special consideration, are fiduciaries who are indebted to the estate, those who are also life beneficiaries, in cases where there has been a previous personal or corporate surety, and where the applicant succeeds a previous fiduciary. In his "true or false" symposium, Mr. Williams brought out that a bond is particularly hazardous where a going business is part of the estate, because a fiduciary is bound to experience difficulty in fully and accurately accounting for the innumerable transactions incident to the operation of a business. He must account for any profit and may be responsible for any loss. In writing court bonds, Mr. Williams emphasized that agents and companies must not be influenced by the merits of the controversy, but should consider every bond on the assumption that the principal will lose the case.

An unusual feature of the North Carolina probate system, Mr. Williams explained, is the position of collector. This fiduciary is appointed to collect and preserve the property of the deceased when there is any necessary delay in admitting a will to probate, granting letters

testamentary or letters of administration or producing positive proof of the death of any one who may have disappeared under circumstances indicating his death. A collector's authority ceases upon the grant of letters testamentary or letters of administration. He must furnish the same bond as an administrator and must render an account of his administration and deliver the estate to the administrator or executor.

Losses on Honest Fiduciaries

Pointing out the danger which a personal surety incurs in signing a bond, Mr. Williams stated that a recent survey of losses on long term risks indicates that less than 37 percent of the losses are attributable to dishonesty, the others being due to the various legal snares in which a fiduciary may be entangled.

Surveys last year indicated that there are in the United States 13,153 millionaires and over 600,000 people worth in excess of \$50,000. Some day, maintained Mr. Williams, this property will pass on to others and bonds will be required of the fiduciaries. To get this business, he urged the agents to sell themselves, particularly to lawyers, to select and supervise business carefully, never to worry attorneys with unnecessary details, never to ask for information they can secure themselves and to keep in touch with their principals.

Leasehold Interest Cover Has Many Applications

In his discussion of leasehold interest insurance at the insurance school conducted by the North Carolina Association of Insurance Agents, C. A. Snow, secretary Phoenix of Hartford, brought out several conditions under which this coverage is applicable and which are seldom mentioned in articles on the subject. There are, he maintained, four classes of lessees needing leasehold interest protection.

1. The lessee who has negotiated an advantageous long term lease and occupies the building. His interest is the difference between the rent paid under the lease and the actual rental value of the property.

2. The lessee who has a valuable long term lease and sublets the property at a higher rental. His interest is the profit derived through subleasing.

3. The lessee who has paid a cash bonus for acquisition of a valuable long term lease. His interest is the unearned amount of the bonus.

4. The lessee who has invested considerable money in improvements and betterments to the building. His interest is the unused value of the improvements and betterments.

Mr. Snow distinguished between writing fire insurance covering the assured's interest in betterments and improvements and covering these improvements under a leasehold form. An assured may spend considerable money installing improvements and betterments in the front part of the building. New store fronts are frequently installed by tenants doing almost every type of merchandising. A fire may occur in the rear portion and be severe enough to cancel the lease. Although the improvements in the front portion may not be damaged at all, the remaining value of the improvements and betterments will be completely lost to the assured, just as though they had

been destroyed by fire. A fire policy covering improvements and betterments will not protect the assured under these conditions. He needs leasehold interest insurance for this. There are many prospects for this coverage in every city, Mr. Snow maintained, and the average assured and insurance man has not thought of this aspect at all.

While there is not much demand at present for the first and most common type of leasehold interest insurance, many long term leases are being negotiated at today's favorable rentals. Mr. Snow suggested making an annual check on every such client. When rental values increase, the agent will then have a reminder to sell leasehold interest coverage. Comparatively few leases are being purchased at this time for a lump sum or a bonus, but whenever this does happen, the lessee is a sure prospect.

Many people overlook the fact, Mr. Snow asserted, that a partial loss can be sustained under a leasehold policy. Where the fire clause in a lease calls for a very heavy percentage of damage to effect cancellation, the premises may be rendered wholly untenable by fire, but the lease may not be canceled. Under such conditions, the company is liable for its pro rata proportion of the actual loss sustained up to the monthly limit named in the policy, for the length of time required to make the premises again tenable.

"Obviously," Mr. Snow said, "a lease very profitable to the lessee is not favorable to the lessor, and under such conditions the lessor is quite certain to take advantage of the fire clause in the lease and cancel if possible, in the event of fire. The only way the lessee can protect himself against loss resulting from cancellation of his lease is through the medium of leasehold interest insurance."

The conditions of the so-called fire

Friendship and Service Secret of Success

"The idea underlying successful salesmanship is 'friendship'—make your client happy and content and help him to get what he wants. A great business is built up brick by brick with the bricks bound together by service mortar. The better the mortar, the more substantial and sound the building, and here is the secret of the success of insurance. Something everyone needs, produced helpfully, giving a feeling of security in a world where life as a whole has become more and more insecure."—J. Dyer Simpson, general manager Liverpool & London & Globe, at luncheon in New York City.

clause in the lease, providing for cancellation in the event of damage to a certain percentage, stated Mr. Snow, are of vital importance and this clause should be inserted in the form. All leasehold interest contracts reduce in amount monthly up to the expiration of the lease. The policy is issued for the discounted value of the leasehold interest at 4 percent compound interest. The table to be used in determining the amount of insurance is printed on the reverse of the standard form. The average liability during the term of the policy is calculated and the rate applicable to the term for which it is issued is applied to this sum to determine the premium.

Tuition Fees Insurance

In discussing tuition fees insurance, Mr. Snow pointed out that a use and occupancy policy can be written for schools and colleges, but it does not provide adequate coverage. Use and occupancy insurance restricts recovery to the time necessary to restore the damaged or destroyed property. If a school is compelled to suspend operations because of damage by fire or other hazard, pupils' tuition fees must be returned, while if the fire occurs just before the beginning of the school year, the entire income for the ensuing year may be lost. The tuition fees contract meets the needs of schools, since it does not restrict the period of indemnity to the period of restoration, but pays actual loss of tuition fees, including all income from student sources, throughout the entire year, less discontinuing operating expenses, as a result of the fire. It also covers extra expense incurred in emergency operation following a fire, up to the amount by which the loss is reduced.

The tuition fees form, continued Mr. Snow, contains the equivalent of a 100 percent coinsurance clause, based on the annual tuition fees for the fiscal year in which the fire occurs. The rate is the 80 percent coinsurance building rate, where a single building is involved, and the 90 percent coinsurance average rate where two or more buildings are included.

Question—I would appreciate the address of the National Insurance Institute which, I understand, has a good insurance correspondence course. If you have any other information regarding similar courses, I would appreciate receiving same.

Answer—You refer to the "National Insurance Institute." Undoubtedly you have reference to the Insurance Institute of America, which has the educational course. Its headquarters are 80 John street, New York. It is the best correspondence course.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

St. Louis Class 1 Agents Organize

ST. LOUIS—Class 1 commission compensated agents who are members of the Insurance Board of St. Louis



CARL S. LAWTON

have decided to meet from time to time as a group to discuss matters of common interest. A committee of five Class 1 agents to be appointed by John J. O'Toole, president St. Louis Board, will be designated as the welfare committee of Class 1 agents. It will arrange for

the meeting of Class 1 agents and take such other action as it may deem advisable.

Carl S. Lawton, Lawton-Byrne-Brunner Insurance Agency, will be chairman of the welfare committee. Other members are Charles Morrill, W. H. Markham & Co.; J. F. Hickey, Mercantile Insurance Company, and R. J. O'Brien. President O'Toole will be an ex-officio member.

The brokers and Class 2 agents are now organized but the Class 1 agents have had no organization to discuss their especial problems. With conditions in St. Louis getting progressively worse from a Class 1 agent's point of view, it was felt that some special organization should be formed.

It is believed that this move will enable the Class 1 agents to eliminate, so far as is within their control, the evil of excess commissions being paid particularly to Class 2 agents. It will also give them a clearing house for information pertaining to various other matters and is expected to bring about a better understanding all around.

Nebraska Investigators to Render Report April 12

LINCOLN, NEB.—The legislative investigating committee which is probing the insurance department will submit its report to the legislature on April 12. The probe may be continued between sessions.

J. R. Kelly, Omaha auditor who said that he has audited a number of insurance companies, said that convention examiners are not thorough enough to divulge extravagances of management, which he listed as including padding of payrolls, paying good salaries to ornamental vice-presidents, and paying excessive salaries to officers who also draw other emoluments. Mr. Kelly said that legislation to restrict waste of money taken from policyholders should be enacted, the department being without authority in such matters.

Mr. Kelly also suggested that better protection be given policyholders who are sold down the river, when promoters and officers sell out a domestic company to one located in another state, at profit to themselves but with the policyholder at the mercy of alien officials.

Prominent Reciprocal Risk Now in Stock Companies

Gold & Co., a large department store of Lincoln, Neb., is now insured exclusively in stock companies. For a number of years, Gold & Co. has been insuring its casualty lines with stock companies but the fire lines have been with the reciprocals. This latter business has now been switched to stock companies through the Earl R. Wilson agency of Lincoln. The fire insurance coverage of Gold & Co. amounts to \$2,000,000.

Meade Made President of Topeka Life Company

TOPEKA, KAN.—Holmes Meade, president of the Meade Investment Co., prominent Topeka local agency, has been elected president of the National Reserve Life of Topeka, succeeding the late George Godfrey Moore, who died two weeks ago while on a Caribbean cruise. Robert Stone, well known Topeka insurance attorney, had been acting head of the company since Mr. Moore's death.

Mr. Meade is a past president of the

Kansas Association of Insurance Agents, is a former state senator and has been prominent in civic affairs in Topeka.

Mr. Meade thus becomes one of the group of well known fire and casualty agents in the middle west who have been selected to head life insurance companies in their home cities. Will S. Thompson of Hutchinson, Kan., was recently elected president of the Great American Life of that city. E. H. Mulock, for many years active in local agency circles in Des Moines, is now president of the Central Life of Iowa. A. L. McCormack was for some time president of the Central States Life.

Corporation in Nebraska Can Be Insurance Agency

LINCOLN, NEB.—The supreme court Friday has directed the district court to proceed with trial of the \$90,000 damage suit filed by the O. G. Pierce Company, Lincoln insurance agency, against Century Indemnity and Aetna Fire, Victor R. McDonald and Herbert Linquist, representatives of those companies. Mrs. Pierce alleged that as a result of her refusal to pay what was demanded of her as due Century, the defendants conspired to the end that she was unable to continue in business and lost her license. The suit was brought under the restraint in trade law which permits three-fold damages being recovered.

The district court had sustained a demurrer of the defendants based on the proposition that the plaintiff, as a corporation, was prohibited by law from acting as an insurance agent and therefore any damage to its business could not be recovered since that business itself was in violation of law.

The supreme court holds that the insurance code does not prohibit a corporation from acting as an agent through persons employed by it who are duly licensed agents, and that though the law says that only a natural person may be licensed as an agent or broker a corporation may carry on its business through licensed natural persons.

Cleveland Board Annual Meet

CLEVELAND—The Insurance Board of Cleveland will hold its annual meeting April 20. It will be a dinner meeting.

Kansas Annual Meet Oct. 18-20

The Kansas Association of Insurance Agents will hold its annual convention in Topeka at the Jayhawk hotel, Oct. 18-20. Irwin Keller is general chairman.

Levant May Succeed Caswell

MINNEAPOLIS—A meeting of the executive committee of the Minnesota Association of Insurance Agents is expected to be held soon to elect a successor to President Austin B. Caswell, who is quitting the local agency field to become Minnesota state agent of the Firemen's group.

If past precedent is followed Harry Levant of Eveleth, chairman of the executive committee, will be chosen president for the balance of Mr. Caswell's term, until Sept. 1. In that case it will be necessary to name a new chairman to replace Mr. Levant.

Civil Service to Be Only Change

ST. PAUL, MINN.—The insurance department will be little affected by the reorganization of the Minnesota state government as planned by Governor Stassen and the legislature. The insurance department is not mentioned in the bill providing for the new setup. How-

ever, it will be affected by the civil service law expected to be enacted. Only the commissioner and his chief deputy will be exempt. Present employees will be given six months after Jan. 1, 1940, to decide if they want to take a civil service examination. Those who elect not to take it may hold their jobs but without the protection of the civil service act. Those who take the test and fail to pass will be dismissed.

Form Calumet County Unit

CHILTON, WIS.—With cooperation of field men, the Calumet County Association of Insurance Agents was formed at a meeting here. Robert Hugo, Chilton, was elected president; Roy Madler, Hilbert, vice-president, and Lorin Schumacher, Chilton, secretary-treasurer. Field men assisting in organization work were G. A. Strassen, American of Newark; Thomas Hites, Boston and Old Colony, and Richard Kenzel, Northern Assurance. The next meeting will be at Hilbert April 27.

Blanket Form for Toledo Banks

TOLEDO, O.—Three master policies, covering nearly \$5,000,000 of real estate owned by three closed Toledo banks—the Ohio Savings Bank & Trust Co., Commercial Savings Bank & Trust Co. and Security Home Trust Co.—will be written by the W. J. Kountz agency, Bert Decker agency and Merrill, Dodge & Jackson Co. of Toledo, N. R. Thurston, special deputy superintendent in charge of liquidation, announces. The policies will include both fire insurance and extended coverage. An insurance survey conducted by engineers supplied by three local agencies showed possible savings of about 10 percent if recommendations for small alterations and improvements were followed.

"This will not affect in any way the distribution of commissions earned from the writing of blanket policies," Mr. Thurston said, "and will not hinder those agents rightfully entitled to participation in insurance placed for the account of the closed banks."

Seek Wisconsin Rate Cut

MADISON—The Wisconsin department reports fire companies' premiums for 1938 totaled \$20,302,172 compared with \$20,554,128 in 1937, while losses last year were only \$7,819,604 against \$8,917,615 the previous year. While premiums declined only \$251,956, losses decreased \$1,098,011. As a result the department will request a downward revision of fire insurance rates for Wisconsin at a conference with rating bureau and company officials in the near future, it was announced.

NEWS BRIEFS

J. G. McBride, credit manager of the Geo. Innes Co., Wichita department store, addressed the **Wichita Insurers** on credit methods.

The next **Iowa Business Development** meeting will be held at Spencer April 12, with the rural agents program in the morning and the general program in the afternoon.

Plans for cooperation between the Indianapolis Credit Association and the **Indianapolis Insurance Agents Association** were discussed at a luncheon meeting. The two organizations are planning to set up a cooperative credit office where the credit of prospective insurance buyers can be investigated.

Concordia, Kan., has entered the Inter-Chamber Fire Waste Contest. Beldon Bowen, local agent, is secretary and Ernest Stocker, fire chief, chairman of

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the fire prevention committee. J. E. Mott, special agent Great American, is "contact man" for Concordia for the Kansas Fire Prevention Association.

Fire losses in Kansas City, Mo., in January and February were \$139,333, down from the \$175,870 a year ago. February losses were \$101,053, compared with \$98,658 in 1938.

Superintendent Lloyd of Ohio will address the annual meeting of the Farm Bureau companies in Columbus April 4 and 5.

Business Development meetings were held in Clinton and Sedalia, Mo., under the auspices of the Missouri Fire Underwriters Association.

W. S. Ellis of the Chicago office of the Royal will speak on "Multiple Locations" at the April 11 meeting of the St. Paul Association of Insurance Women. Royal field men have been invited to attend. The "bosses" will be special guests.

This is the last month that the fire underwriters' salvage corps will be operating in the Twin Cities. The units in both cities are preparing to discontinue service April 30. The St. Paul equipment will be turned over to the city fire department.

The St. Louis court of Cats Meow held a luncheon meeting April 4. Names of prospective candidates for admission were presented.

H. A. Harrison, Cleveland agent, former president of the Mutual Insurance Association there, has been elected president of the Cleveland Mercator Club. R. C. Hyre, executive manager Board of Independent Fire Underwriters of Cleveland, is secretary.

SOUTH

Southern 1752 Club Is Formed

At a meeting of field representatives of agency mutual fire and casualty companies from North Carolina, South Carolina, Tennessee, Virginia, and the District of Columbia held at Greensboro, N. C., the "Southern 1752 Club" was organized. Its membership will include any salaried production employee of an agency mutual fire or casualty company whose interests are in those states. Salaried engineers, inspectors, adjusters, and auditors can qualify for membership under a special procedure.

Officers elected are: President, P. H. DuBuc, Greensboro, Shelby Mutual Plate Glass & Casualty; secretary, H. L. Petrey, Raleigh, Central Manufacturers

Mutual; treasurer, R. L. Van Fossan, Washington, Lumbermen's Mutual, of Mansfield.

Main Office to Houston

NEW ORLEANS—The main office of John P. Desmarais & Co. has been transferred from New Orleans to Houston. The local office will be managed by Paul McGill and the Houston office by D. L. Terrell. Mr. Desmarais will divide his time between the two cities.

Oklahoma Convention May 26

H. T. Moran, secretary Oklahoma Association of Insurers, announces the annual convention will be held May 26 at the Tulsa Hotel, Tulsa, Okla.

Arrange for Florida School

The Florida Association of Insurance Agents will hold its annual insurance school at Hollywood Hotel, Hollywood, Fla., July 5-8. L. P. McCord, Jacksonville, past president, again will be dean. One of the instructors will be Roy A. Duffus, Rochester, N. Y.

McCormack Speaks at Knoxville

KNOXVILLE, TENN. — Commissioner McCormack was guest speaker at the monthly meeting of the Knoxville Insurance Exchange. He discussed new insurance legislation and its adaptation to problems of insurance men in Tennessee.

NEWS BRIEFS

A 10 percent reduction has been made in fire insurance rates in the Belle Meade section of Nashville, provided property owners subscribe to operation of a private fire department in that section. A new ruling of the Tennessee Inspection Bureau permits this reduction in an area within 2½ miles of such private fire department.

W. S. Keese, Jr., and H. D. Huffaker, Chattanooga local agents, addressed a meeting of the Chattanooga Association of Credit Men. Mr. Keese discussed casualty and surety and Mr. Huffaker fire and marine insurance.

The Ferd Marks Insurance Agency, New Orleans, has appointed W. E. Tuffs production manager. He was for many years associated with the late E. H. Singreen.

Rueger, Woodley & Chesterman is a new local agency in Richmond, started by William Rueger, Jr., formerly with the Aetna Casualty there; E. R. Chesterman, Jr., and J. K. Woodley, who have been placing loans for life companies. Rueger is a brother of Louis

Rueger, Jr., Virginia state agent London & Lancashire.

T. C. Roberts, former member of the Roberts & Lillard agency, Shawnee, Okla., has withdrawn from the firm and opened an agency in the Petroleum building. Rufus Lillard will continue his agency.

The Atlantic Underwriting Agency, Louisville, has been incorporated by W. T. Smith, J. P. Keith, Jr., and R. W. Kaltenbacher.

Engagement of Miss Nell Brittingham to Fergus A. Goodridge, Richmond local agent and son of the late George McG. Goodridge, Virginia state agent Fireman's Fund, is announced. They will be married late in May.

A. D. and J. S. Hudson and S. R. LaRue have opened a new local agency in Dallas, to be known as Hudson, Hudson & LaRue. Offices are in the Great National Life building.

CANADIAN

Alberta State Fire Plans

A bill to launch the province of Alberta into the fire insurance business was introduced in the legislature by the government. It provides for underwriting government and other property as well, through agents who may be appointed or who are now in business.

Leyland Made General Agent

Grover Leyland has been appointed general agent in Toronto for the Federal of New Jersey and United States Guarantee.

Edgehill with Union of Paris

S. Edgehill, Montreal, has become inspector for the Union of Paris. Formerly he was with the Canadian Underwriters' Association.

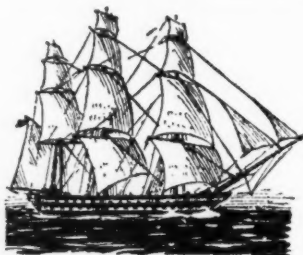
Phoenix Executives in Canada

VANCOUVER, B. C.—Executives of the Phoenix of London visiting Vancouver were C. W. C. Tyre of Montreal, manager for Canada, and B. H. Davis, accident manager at the head office in London.

Quits B. C. for Casualty

VANCOUVER, B. C.—Alliance Assurance of London will withdraw from British Columbia in the casualty field, but will continue to write fire and extended coverages.

Harvey Girard, Wisconsin state agent for the Providence Washington, spoke on "Agency Possibilities" at a monthly dinner meeting of the Insurance Women of Milwaukee.



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Name Only Actual Agents: Williams

DENVER — Members of the Rocky Mountain Fire Underwriters Association were urged to watch carefully the class of the appointments they make, in a letter sent out this week by Secretary Frederic Williams.

The letter reviewed the defeat of adverse legislation in New Mexico, including the valued policy bill, the agents qualification act and the anti-separation bill, but pointed out that precautions must be taken now against introduction and possible passage of inimical measures in coming years.

In relation to the agents qualification measure, the letter said in part: "On behalf of the supervisory committee, I therefore urge that our member companies review the agency appointments now made in New Mexico and instruct their field men that only legitimate agents and those intending to be legitimately in the fire insurance business are to be licensed."

"It is the curbstone agent, the part-time agent and the man devoting most of his time to some mercantile business that are objected to by the local agents in the larger communities."

Insurance-Credit Aid Urged

DENVER — Close cooperation between insurance agents and credit men will soon become a national proposition, E. B. Moran, central division manager National Association of Credit Men, told a joint meeting of the Rocky Mountain Credit Association and the Colorado and Denver Associations of Insurance

Agents. Members of the insurance groups were invited to attend as the first step in a plan for rendering an insurance advisory service to the credit men.

Mr. Moran said national survey figures show 80 percent of the credit men in the United States are in charge of placing insurance for their companies and that many of them know little or nothing about insurance. He praised the efforts of the Colorado group toward developing an advisory service.

New Montana Commission

HELENA, MONT.—Another state commission has been set up through an act of the legislature. Commissioner Holmes, as chairman of the newly-created commission, has ordered an appraisal of all state-owned property and insurance held on it. Other members are E. A. Dye, chairman state board of equalization, and William Hosking, state accountant.

Kolob Agency Absorbs Kenning

The Kolob general agency, Judge building, Salt Lake City, which has absorbed the Kenning agency, represents the Northwestern National, Pearl, Merchants of New York, Jersey Fire, Bankers & Shippers and Pacific Fire as general agent for Utah and Idaho. It also represents the Northwestern National in Montana. Frank Salisbury is manager.

Townsend Fire Patrol Secretary

George Townsend, vice-president Fireman's Fund group, has been elected secretary-treasurer of the San Francisco Underwriters Fire Patrol. He succeeds the late W. A. Louis, who held the of-

fice for several years. J. M. Mendel, coast manager London Assurance, takes Mr. Louis' place on the board of directors.

Bristow with A. R. Paull

C. T. Bristow, who has been with the Pearl group on the coast since 1934, has joined the A. R. Paull general agency at San Francisco as manager. He entered the business in 1929 with National Liberty, then served Home of New York and National Union until he went with Pearl.

Portland Manager Resigns

PORTLAND, ORE.—Frank Fassold has resigned as manager of the Insurance Exchange of Portland. The Exchange will continue to employ a manager, but may be obliged to increase members' dues.

EAST

Banks Seek Act to Provide for Errors and Omissions

BOSTON—Savings bank representatives argued before the Massachusetts legislature's insurance committee for legislation to further protect mortgagees of real estate named in fire insurance policies, maintaining that savings banks had to take out errors and omissions policies to make certain they were protected from invalid fire insurance policies. Judge H. C. Fabian, counsel for the banks, claimed renewal fire policies on properties on which the bank was the mortgagee can be rendered void from various causes not known to the mortgagee, such as death of owners and change in ownership, heirs not properly

named, or omitted, change in occupancy or the uses to which insured property might be put, etc., although the original policy may have been correct. The bill presented would hold mortgagees, as well as insured, secure against loss regardless of mistakes or errors, as to owners or later lack of insurance interest.

Claude L. Allen, counsel for the National Board, declared the law protecting mortgagees had been on the books for 57 years and had caused little or no trouble. The proposed bill would permit fraud in that it would allow a firebug to insure in another name and collect, leaving the door wide open, and besides was unworkable. If the banks took out errors and omissions policies it was to protect themselves against their own carelessness in not assuring themselves their mortgagee interests were properly taken care of.

Asks Separate Dividends on Direct and Agency Lines

BOSTON—Stock and agency mutual company representatives came out in force before the legislative insurance committee for a hearing on a bill of the Lumber Mutual Fire which provides for new classification of lines for dividend purposes. The company seeks to place dwellings and apartments into one class, apart from mercantiles, so that dividends of 35 percent can be paid on this profitable class, while at present only 20 percent can be paid because of the general classification. The second part of the bill provides for the separation for dividend purposes of business written direct and business acquired through agents. If allowed, the company would be able to pay 40 percent dividend on direct business. The company expects to eliminate agents with the exception of

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one general agency. In answer to a question why the company did not cut the rates instead of paying dividends, Counsel Nash stated the company had to be quite certain of collecting enough to meet any possible contingency.

The bill was vigorously opposed by George L. Barnes for the Mutual Fire Insurance Association who maintained there should be classification on hazards only and that classification by direct and agency business was on the basis of cost of doing the business, which is wrong and destroys the mutuality of the company. John W. Downs opposed on behalf of the Insurance Federation of Massachusetts; Warren S. Shaw of Brockton for the Massachusetts Association of Insurance Agents and Harry E. Moore, president, for the Insurance Brokers Association of Massachusetts. Mr. Moore argued that under the plan a company could build up its business through agents and then take the business away from the agents on renewal by direct writing, which occasioned the reply of Mr. Nash that his company expected to eliminate agents.

Commissioner Harrington opposed the bill on the grounds it would make more work for his department and require more help and greater expense. He informed the committee that the ways and means committee had asked him to pass on to the insurance company the inadvisability of favoring measures which would entail additional expense of maintaining the insurance department.

Becomes Midland Mutual Fire

BOSTON—The Allied Canton Mutual Fire has changed its name to the Midland Mutual Fire and is occupying new offices at 40 Broad street, Boston. M. G. Sprague of Worcester has been elected president and I. S. Merritt, also of Worcester, secretary-treasurer. The original company was formed last year. It is an agency company.

Lighton New Syracuse Head

L. F. Lighton, Jr., has been elected president of the Syracuse Underwriters Exchange. S. F. Raleigh is vice-president and W. H. Graham, secretary.

Munroe Associate Manager

Gordon T. Munroe has been appointed associate manager of the Philadelphia office of Hartford Fire.

Name Boston Protective Directors

BOSTON—Directors elected at the annual meeting of the Boston Protective Department are: H. A. Kneeland, John C. Paige & Co.; F. A. Bailey, Field & Cowles; J. H. Carney, Kaler, Carney, Liffler & Co.; E. R. Howard, Citizens Mutual Fire; L. L. Greene, Boston Insurance; F. G. Farquhar, Boit, Dalton & Church; R. A. Sullivan, Hinckley & Woods.

MOTOR

Revision of Auto Fire-Theft Forms Is Under Way

Committees of the National Automobile Underwriters Association are busily engaged these days in preparing a recommended revision of the automobile forms. It is likely that deliberations will continue for several months. When a final proposal is drafted, it will be submitted to the various regional organizations. An effort will be made to remove ambiguity in wording that paves the way for conflicting interpretations. Emphasis will be placed on simplification throughout. Some are advocating the employment of a form that is as broad as the comprehensive coverage that is issued in Michigan. In that state the comprehensive form includes reimbursement for towing service and loss of use by theft.

MARINE INSURANCE NEWS

Coverage on Foreign Shipments Viewed

INDIANAPOLIS — P. J. Leen, superintendent of the marine department of the Fireman's Fund at Chicago, spoke on "Transportation Coverages" before the Indiana Blue Goose meeting here. While a manufacturer who has any foreign trade may be well covered as to fire and casualty lines, the agent's service has not been complete unless the manufacturer's need for protection as to foreign shipments has been cared for and he has been sold proper marine insurance, Mr. Leen said.

A manufacturer should have an export policy to cover the foreign shipments, which will follow the goods from the moment they are turned over to the local carrier until it reaches its destination. It is not necessary to understand all about marine insurance to sell such coverage. Most companies require the prospect to execute an application which usually gives the underwriters sufficient information to work up a schedule of rates. Each risk is handled separately on its own merits.

Mr. Leen explained the principal terms and practices that are applied to marine underwriting. Under the 3 percent loss form the company pays where damage amounts to or exceeds 3 percent of value, this being a franchise rather than a deductible clause. War risks are written in separate policies because such insurance does not become effective until the insured property is on board of the carrying vessel while the marine coverage begins from the time the goods leave the factory or warehouse until they are delivered on land at the point of their destination. Separate policies avoid confusion.

Shipments are charged proportionate

shares of the expense involved in "general average" operations where expense is involved for saving the whole cargo and vessel in emergencies. With certificates of reputable marine companies, goods are released which would otherwise be held as collateral until the charges were paid. Without insurance to cover such charges interested owners might have to wait months or years before their property is released to them, pending settlement of charges. It works to the great convenience of shippers but does not involve much expense.

To depend upon liability of carriers for loss is taking a great risk, Mr. Leen said, as many truck owners have very little financial backing and their equipment is generally not free of indebtedness. To collect for loss from a warehouseman is also very difficult as it is necessary to establish evidence of gross negligence to make a claim valid. State and federal agencies cannot be depended upon as sources of recovery without delay and probable court action.

Premiums for transportation insurance are predicated on gross sales the preceding year with adjustment at end of the year. The nature of the goods determines the rate rather than the type of carrier.

Because of the general fear of world war many points in the discussion bore on war hazards. The fact that marine underwriters are intimately in touch with the actual possibilities of conflict makes the quotations of marine insurance rates an even more dependable index as to the trend than ordinary newspaper sources and service.

War risks insurance does not cover after the shipment has reached the destined port. Marine rates are published day by day and may fluctuate widely within 24 hours. They are made by marine underwriters in London and this country, based on political outlook. Be-

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cause they fluctuate widely and quickly, shippers take advantage of provisions for binding at a fixed rate for seven days.

Ocean marine insurance is a "valued" contract, Mr. Leen said, and includes all charges. The insured who buys his insurance locally from a competent agent knows more definitely as to his coverage, a point to encourage agents to equip themselves to write this coverage.

The ocean marine policy form is a very old contract and has remained unchanged over approximately a century. Its conditions and provisions have had the advantage of court review so definitely that it would now be a serious disadvantage to undertake changes.

To Wind Up Settlement of Morro Castle Claims

NEW YORK—Under order of the federal court distribution of the remaining \$337,350 of the \$890,000 awarded claimants in the Morro Castle disaster will begin this week. The vessel burned off Asbury Park, N. J., Sept. 8, 1934.

The sum of \$337,350 had been withheld until final settlement of litigation in connection with the case had been effected, and under the terms of the order no further claims may be advanced. An affidavit filed by the attorney for a small

group of claimants whose demand for a more liberal settlement was approved by the court, showed that more than half the 117 claimants for death benefits will receive less than \$2,400 each; more than a quarter of them will get less than \$1,500, and one-fifth will receive about \$600. It was further set forth that more than half of the 240 persons claiming benefits for injuries will be paid less than \$600 each, and that one-quarter will receive sums ranging from \$60 to \$420.

NEWS BRIEFS

Reginald Pimsoll, K. C., has been named assistant fire commissioner of Montreal. For the past ten years he has been lecturer to the Insurance Institute of Montreal on fire insurance contracts. He has also acted in an advisory capacity to the All-Canada Fire Insurance Federation.

Jean Ladouceur, long associated with the Canadian Underwriters' Association, has been appointed an inspector with the Western-British America group in Montreal.

The second Business Development campaign is now in progress in eastern Washington and Idaho, with meetings at Couer d'Alene, Walla Walla, Lewiston, Ida., Spokane and Wenatchee.

Menn Calls For National Solidarity

(CONTINUED FROM PAGE 3)

employees, and this includes executives of some insurance companies.

"We find the organized casualty companies instituting litigation in the states seeking to destroy the laws which are designed to protect the insurance middle man and to secure his services in behalf of the public," Mr. Menn continued. "We even hear of supervising officials raising the question as to whether or not the independent insurance agent should survive, particularly in the large centers.

Direct Production Harmful

"We can readily understand what it means to the American agency system to have insurance companies either engage in or look with favor on the direct production of insurance premiums.

"Our National association has functioned many years on the vital principle that the middle man in insurance is essential to the proper and orderly development of the business. Not that alone, but if this intermediary should ever be eliminated, it is our sincere conviction that the public would not only be measurably harmed, but the insurance companies themselves would cease to exist as the great institution they are today."

Mr. Menn then pointed out how the National association has been functioning since organization 43 years ago to preserve the rights of insurance agents. It has given every agent the ownership of his own business as an asset to be handed down to his successors, monetary value of his agency business established through court decisions and company compliance with the principle of agency ownership of expirations; value of his agency franchise in his own territory; the famous conference agreement in which fire companies pledged to refrain from establishing further financial institution agencies; decision of the U. S. Supreme Court upholding constitutionality of the resident agency laws.

Cites Many Other Benefits

Another benefit was the finding of the National Association of Insurance Commissioners that the defense and justification for the commissions paid the agent was well made. It has given him the commission on millions of dollars of insurance on government projects. These and many other benefits have been given not only to member agents but to all agents.

The agents who do not belong to the National association, he said, however lose "a friend at court." They lose the services of the only recognized national intermediary to intercede for them if any National association principles are threatened or violated.

"If his expirations are raided, the resident agency law of his state ignored, the bank agency section of the conference agreement evaded, the justice of his commissions put to the crucial test, governmental contracts awarded through political preferment, he must defend himself on an individual basis.

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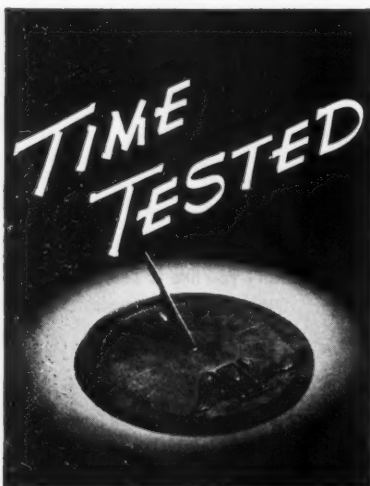
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have concrete evidence of recent cases where such companies have adopted courses of action in keeping with its principles. Such companies recognize the necessity for solidarity in the agency ranks, attainable only through this organization, and they are sustaining it by precept and example. There remains then the primary question of our own devotion to the organization and our estimate of its worth to us as individual members."

Paramount Fire Is Bitter Issue

(CONTINUED FROM PAGE 3)

was to be made out of the rate structure. It is said to be certain that the loss ratio will run 10 percent. The company gets a commission from the reinsuring company. It is not liable for losses. It was contended that hence the expense ratio will be very abnormal and the financial statement will be subject to attack from the state departments. Any excess profit, it was asserted, should go to the assured through lower rates.

This form of class underwriting was bitterly condemned as destructive. It was freely predicted that other similar schemes would soon be put in motion. The agents held the project had not a single redeeming feature.

The executive committee is still wrestling with the Paramount issue which evidently is a tartar. The committee during the noon hour Wednesday invited in the past presidents and then recessed until Wednesday night.

Hollywood Meeting Overflow Affair

(CONTINUED FROM PAGE 3)

over the eastern assembly; McAlister Carson, Charlotte, N. C., southern; Geo. W. Carter, Detroit, central west; G. C. Appleton, Fresno, Cal., far west. In the afternoon was held the joint conference of state officers and national councillors, with Sidney Smith presiding. There were three general subjects—education, membership and rural agents' program.

In the evening was the get together dinner, with President W. H. Menn in charge. Entertainment followed in the great lounge.

Wednesday and Thursday are given to the main convention, with President Menn in the chair. He gave the report of the administration. The sessions were devoted chiefly to discussions of pertinent interest. Showing the growing importance of hospitalization insurance, one period was assigned to it in which cooperative and state fund insurance was discussed and in conjunction what agents have to offer.

There were numerous beguiling entertainment features provided, especially for the ladies. The weather here is ideal. The beach is one of Hollywood's main attractions and bathing regalia was in order. Conventioneers took on a darker hue after lounging on the sand or playing golf. Some indeed assumed a crimson aspect.

In view of the glorious and balmy weather, white or light clothes were worn, which added to the gala appearance. Many attending are taking their annual vacations, and this is a splendid time of the year along the ocean even in this far southern climate.

The smoke from the Everglades fire permeates the Hollywood district at times. The surface has been burned and now the fire is down in the peat or muck, which creates dense smoke.

At the opening session a Massachusetts committee consisting of H. R. Preston of Springfield, state president, Louis Hoffmann, John C. Paige & Co. Boston, and R. C. Dreher, Boston and Old Colony, arranged a broadcast over the loud speaker from recorded transcription, containing welcomes to the Boston convention in October from its

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mayor and Commissioner Harrington. At the get together presided over by President W. H. Menn, O. M. Stallings, Tampa, Florida president, gave the welcome. The response was made by C. F. Liscomb, Duluth. There are 17 living past presidents; ten were present—E. M. Allen, New York, C. C. Jones, Kansas City, E. J. Cole, Fall River, Mass., C. L. Gandy, Birmingham, Mr. Liscomb, F. R. Bell, Charleston, W. Va., W. E. Harrington, Atlanta, W. B. Calhoun, Milwaukee, Allan Wolff, Chicago, W. Owen Wilson, Richmond.

There were introduced Commissioner Williams of Mississippi, Deputy Commissioner J. H. Talley of Florida; W. B. Buchanan, president Greater Miami Insurance Board, Secretary W. H. Bennett.

Sidney Smith, Gainesville, Ga., executive committee chairman, presented his associates—Mr. Liscomb, J. K. Boyce, Amarillo, Tex., Stanley Stults, Hightstown, N. J., P. H. Midyette, Tallahassee, R. W. Forshay, Anita, Ia., J. M. Crosby, Jr., Grand Rapids, D. A. North, New Haven, A. J. Smith, New York, Wayne Meek, Seattle.

FAVORS C. L. U. IDEA

Wade Fetzer Urges Educational Movement in Field Similar to That in Life Insurance

Wade Fetzer, Jr., W. A. Alexander & Co., Chicago, flew down Tuesday to appear before the executive committee and present his plan of educational development. The educational committee men of the national body were also present. He declared the public should be placed in a position whereby they have full confidence in the ability and insurance knowledge of agents. It is too easy now, he said, for the incompetent and unqualified to get licensed. Premium payers obtain their impression of the business by the people in it. Many of these agents lack training. Mr. Fetzer declared the difference between stock and mutual insurance is the agent. He contended the business should reach that point whereby the public will recognize in an agent one worthy of an additional charge for his service.

Other great lines he said are far more alert in raising the ethical and educational standards. He referred to what the National Life Underwriters Association did in the organization of the American College of Life Underwriters which awards the chartered life underwriter degree after a comprehensive examina-

tion. The fire and casualty business, he urged, should build up a comparable degree of prestige. He declared there should be built up another national body to correspond to the American College. The proposal has been submitted to Dr. S. S. Huebner, University of Pennsylvania, and head of the life insurance college, who has heartily approved it. It may be desirable to have him speak at the Boston convention. Mr. Fetzer stated that all the national insurance bodies can get behind this movement.

Favors Contingent Commissions

C. L. Gandy, Birmingham, as spokesman for the Southern Agents Conference appeared before the committee to urge that the companies adopt a contingent commission plan for agents everywhere. Follett Greeno, Rochester, N. Y., spoke of the growing menace of branch offices, those in large cities that reach out, paying producers more than agents can. Other branches in smaller cities also indulge in paying excess compensation. He urged the retirement or restriction of the former and equality with regard to the latter. Next he condemned the mixed agency representing stock and mutual companies.

Mr. Greeno said insurance is too much on the defensive. He urged the National association to assume aggressive leadership.

LEGISLATIVE REPORT

P. D. Bowen of Baltimore, chairman legislative committee, spoke of the Washington, D. C., office and said that it may have seemed impracticable to distribute commissions to the members, yet steps should be taken to develop proposals on the same basis as now handled in local board placements, thereby assuring the greatest possible participation. With the voluntary allotment plan as developed by the National Bureau of Casualty & Surety Underwriters, he said only those agents who happen to represent a company to which the risk is assigned are in a position to receive territorial commissions. The recent step taken by casualty companies in organizing a pool of five appears further, he said, to centralize the business and restrict the sharing of commissions.

Mutual Companies Favored

Mutual companies, he declared, have succeeded in negotiating master contracts at Washington largely because the stock companies have not completely analyzed various types of insurance in which the government has been interested. He said that when governmental agencies make arrangements to order insurance through company sources there is no assurance that members of the National association will be selected. He thinks it important that the executive committee endeavor to bring about some agreement with the stock carriers whereby the Washington office can lend its cooperation to the agents in bringing some representative body in closer contact with the growing tendency on part of the government to give recognition to mutual carriers. He said that the National association is in a position to deal promptly with individual members in Congress or those serving on committees. Since the annual meeting, he said, even more attention is being directed

to insurance by the government than heretofore.

When the social security act was passed he said a number of life companies opined that the public would become more insurance conscious and it would help private companies in writing insurance. He said that the reverse seems to be true. The average person, Mr. Bowen declared, in moderate circumstances is not disposed to carry additional protection when he is assured by the government that his needs will be met during old age, unemployment, illness, etc. He mentioned a number of bills that are now pending in Congress.

MRS. HERRING IS HEADED

Illinois Secretary Advocates Making "Insuror" Emblem Better Known to Public

At the meeting of salaried state association and local board officials, Mrs. Lillian L. Herring of Chicago, Illinois secretary, made a fine impression by saying that the premium paying public should be so emblem conscious that capital stock insurance would be demanded and only agents advertising the official emblem should be patronized. She was requested by this body to appear before the national executive committee, explaining her plan of developing a nationwide publicity campaign.

Agents, she said would sell protection rather than insurance, publicizing the emblem "insuror." People should be so impressed that only those eligible to use the emblem would be patronized. The campaign, she asserted, should be sponsored by the National association working with and through state associations and local boards.

The consensus of the meeting was that local boards should have public relations counsel. New Orleans spends \$5,000 and Grand Rapids \$2,000 yearly for advertising and publicity. It was urged that competition should be given silent treatment and agents should employ their time and energy explaining their own service and facilities.

John D. Saint, Tennessee manager, told how local boards in smaller places are using effectively space in their papers, tying up their campaign with National Board publicity. It was agreed that more attention should be given to rural agents.

D. A. Clark, Texas president, told about the 12 regional meetings in his state, this giving agents in all sections an opportunity to learn more about their business.

P. B. Bethel, Louisville, secretary Kentucky association, presided with Alfonso Johnson, manager Dallas Board, secretary.

Murphy Before Committee

The executive committee was rather penetrating and direct in its questioning of Ray Murphy, assistant manager Association of Casualty & Surety Executives, when he appeared before it. The committeemen evidently felt the association was not receiving the cooperation of the casualty companies it deserved. They resented the test cases brought in Virginia and Louisiana against the resident agency license laws. It was contended that the casualty companies are

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San Diego, Cal.
Representing Fidelity & Casualty of New
York. Others on request. Defense of Insur-
ance companies; equipped for investigations,
adjustments and trial of all insurance cases
State and Federal Courts.

KEYES & ERSKINE
Herbert W. Erskine William A. White
Morse Erskine J. Benton Tulley
625 Market Street
San Francisco, California
Defense trial of casualty, liability, surety insurance
cases.
General counsel, Pacific National Fire Ins. Co.

ROBERT G. PARTRIDGE
Mills Tower
San Francisco, California
Partial list of clients: Great American Ins. Co.;
Phoenix Insurance Co.; Hardware Mutual Casualty;
Industrial Indemnity Exchange; Pearl Assurance
Corp.; Gen. Motors Acceptance Corp.

COLORADO

**GRANT, SHAFROTH
& TOLL**
Equitable Bldg.
Denver, Colo.

ILLINOIS

**LAW OFFICES
HINSHAW and CULBERTSON**
Suite 4200—One La Salle Street
CHICAGO
Joseph H. Hinshaw Raymond L. McClory
James G. Culbertson John M. Moelmann
Oswell G. Treadway Robert H. Kinderman
Insurance defense—casualty and surety. Wide in-
surance clientele—references upon request.

**LORD, BISSELL &
KADYK**
2400—135 S. La Salle Street
Chicago, Illinois

CLARENCE W. HEYL
8th Floor Central National Bank Bldg.
Peoria, Illinois
Trial of Insurance cases: representing
MARYLAND, FIDELITY & CASUALTY,
ROYAL, GLOBE, EAGLE, BANKERS IN-
DEMNITY AND OTHERS.

INDIANA

LUTZ, JOHNSON & LUTZ
Suite 728-734 Circle Tower
Indianapolis, Indiana
Insurance Attorneys

IOWA

**GRIMM, ELLIOTT, SHUTTLE-
WORTH and INGERSOLL**
1115-20 Merchants Natl. Bank Bldg.
Cedar Rapids, Ia.
Representing many leading insurance com-
panies. Reference on request.
Equipped for investigation and adjustment of
claims. Trial work in state and federal courts.

**COSSON, STEVENS &
COSSON**
602 Register & Tribune Bldg.
Des Moines, Iowa
Truman S. Stevens
George Cosson
Clarence Cosson
General Insurance & Corporation Practice

**HALLAGAN, FOUNTAIN,
STEWART & CLESS**
918 Valley Bank Building
Des Moines, Iowa
General Counsel for Home Mutual Insurance Com-
pany of Iowa and Motor Carriers Mutual.
Representing: Ocean Accident, American Auto,
Liberty Mutual, and others.
Equipped for investigation and adjustment of claims
and trial of insurance cases in all courts.

KANSAS

**STANLEY, STANLEY,
SCHROEDER & WEEKS**
1106 Huron Bldg.
Kansas City, Kan.

**DORAN, KLINE, COSGROVE,
JEFFREY & RUSSELL**
908 National Bank of Topeka Bldg.
Topeka, Kansas

**COWAN, McCORKLE,
KAHRS & NELSON**
ATTORNEYS AT LAW
Fourth National Bank Bldg.
Wichita, Kan.

KENTUCKY

**WOODWARD, DAWSON
& HOBSON**
Insurance Attorneys
1805-26 Kentucky Home Life Bldg.
Louisville, Kentucky

MARYLAND

WALTER L. CLARK
Russel C. Thomson
Clater W. Smith
Baltimore Trust Bldg.
Baltimore, Maryland

MICHIGAN

**BEAUMONT, SMITH &
HARRIS**
2900 Union Guardian Building
Detroit, Michigan

MICHIGAN (Cont.)

EDWARD BRYANT
2161 Union Guardian Bldg.
Detroit, Mich.

**ALEXANDER, McCASLIN &
CHOLETTE**
Peoples National Bank Building
Grand Rapids, Michigan
New York Casualty, Fidelity & Casualty, General
Accident, U. S. Fire, London Guarantee & Ass.
American Surety, Employers' Liability.
Equipped for investigation this territory. Defense
trial—all insurance cases—western Michigan.

**TRAVIS, MERRICK &
JOHNSON**
1900 Michigan Trust Building
Grand Rapids, Michigan
Aetna Group, New York Life, Factory Mutual,
Utica Mutual, Globe Indemnity and others.
Investigations and Trial Work in State and Federal
Courts.

DEAN W. KELLEY
324 Mutual Building
Lansing Michigan

MINNESOTA

C. E. WARNER
616 Andrus Bldg.
Minneapolis, Minn.
Defense Insurance Cases State and Federal Courts
Fully equipped for investigations and adjustments

MONTANA

CRIPPEN & CRIPPEN
415 Electric Bldg.
Billings, Mont.
Trial of Insurance cases, state and federal courts.
Equipped for investigations, adjustments, settlement
of claims in this territory

CORETTE & CORETTE
619-621 Hennessy Bldg.
Butte, Mont.
Representing: American Surety; Sun Indemnity;
Home Indemnity; Aetna Group; Liberty Mutual;
Others on Request.
Investigations, adjustments and defense trial in State
and Federal Courts.

J. PAUL FREEMAN
Strain Bldg.
Great Falls, Montana

Representing: Standard Accident; Employers Group;
New Amsterdam Ins. Co.
Equipped for investigations—defense for insurance
trials, state and federal courts.

**GUNN, RASCH, HALL &
GUNN**
Western Life Insurance Bldg
Helena, Montana

NEBRASKA

DRESSLER & NEELY
800 Brandeis Theatre Bldg.
Omaha, Neb.
Representing: Royal Indemnity; Eagle Indemnity;
Central Surety; National Casualty; Iowa Mutual;
Continental Casualty. Equipped for investigations
and settlement claims by experienced company ad-
justers.

not cooperating in the same degree as the fire companies. Mr. Murphy defended his organization and stated it was in sympathy with the agents' body.

A resolution was presented from the New Jersey association pledging full loyalty to the national body.

J. M. Crosby, Jr., Grand Rapids, reported for the membership committee, saying many new members are being enrolled. However, the Ohio secession takes 1,000 or more members off the list.

Ross E. Coffin, Indianapolis, related the difficulties confronting the agents in his state in combating hostile legislation. It was decided to build a file of legislative proposals in the various states and gather the methods and arguments employed in fighting undesirable bills. This will be of service to states that have similar measures proposed.

The committee, in view of some recent events, reaffirmed the conference agreement provision to the effect that it is detrimental to the business to extend

agency appointments to financial institutions.

At the opening session, President Menn made an impassioned plea for loyalty and increased membership. Indirectly he referred to the secession of the Ohio body, saying it had disenfranchised its membership and deprived them of the advantages of national benefits.

H. R. Preston, Springfield, Mass., state president, and Louis H. Hoffmann, Boston agent, extended a welcome to the annual convention in the latter city the week of October.

W. Owen Wilson of Richmond spoke at the opening session on his pet subject, relation of credit to insurance. During the last five years, he announced, credit losses amounted to three billion dollars, much of which could have been avoided if proper insurance had been carried.

B. P. Carter, Richmond general agent who has been doing a piece of constructive work in acquainting people about

the danger of consumer cooperatives, appeared on the program. He pointed out the sweeping onrush of this movement crushing middle men of all kinds.

Dauwalter, Menard Speak

F. S. Dauwalter of New York, assistant general manager National Board, who was director of the Business Development Office, was introduced. He said that his organization is engaged in manifold ways in promoting the interest of capital stock insurance. In every direction he finds that there is a sentiment prevailing for a better understanding of insurance.

A. R. Menard, the new director of the B. D. O., was called to the rostrum. He sees a significance in the fact that an agent is head of this organization.

In the afternoon Wednesday H. J. Haas of Atlanta and A. A. Hepp of the Home conducted a symposium on the gross earnings form for business interruption indemnity.

OCEAN BREEZES

Allan I. Wolff of Chicago arrived a week before convention week accompanied by his three sons, Hugh, Allan, Jr., and Peter. They have been negotiating the golf links, doing much ocean bathing and seeing the sights.

* * *

The huge Hollywood Beach Hotel could not accommodate the conventioners. More than 800 registered previous to the meeting. The capacity of the hostelry is 800. Some late applicants for rooms had to be shunted to a commercial hotel in the town.

* * *

C. E. Gauss, who has just retired as Michigan commissioner, attended the convention with Martin Mullally, Muskegon, president; W. O. Hildebrand, Lansing, executive secretary, and G. W. Carter, Detroit, national councillor, Michigan Association of Insurance Agents, as official bodyguard. Mr. Gauss' home is at Marshall. He and Mrs. Gauss will take a long automobile trip before he arranges for his future work.

* * *

Vice-president Ashby Hill and Secretary M. E. Sprague of the Home were early birds at the convention.

* * *

C. F. Rupprecht, assistant to the vice-president of the North America, mingled with the agents. He was supported by General Manager W. P. Robertson of the western department.

* * *

Secretary W. H. Bennett appeared in a fireman's uniform at executive committee meetings. He wore dark blue slacks and short sleeved jacket of the same hue—the smart outfit at Hollywood.

* * *

Frank T. Priest of Dulaney, Johnston & Priest, Wichita, Kan., attended the midyear meeting, accompanied by Mrs. Priest and their two daughters, and will spend a month or more vacationing in the south. Mr. Priest has been hitting a strenuous pace the past two months, following the three months he spent recuperating from an attack in October and has decided to take it easy for a few weeks.

* * *

When President W. H. Menn and Mrs. Menn arrived at the Hollywood station, they were met by a delegation of Florida agents, the mayor and fire department.

It seemed homelike for the Menns, so far as name was concerned coming from the Hollywood, Cal., atmosphere to disembark at Hollywood, Fla.

* * *

Kenneth May, secretary of National Union, and Mrs. May, rented a bungalow near the hotel, having arrived some days before the convention.

* * *

J. W. Rose of Buffalo, New York association secretary, and Mrs. Rose left home 10 days before convention week and motored around Florida.

* * *

Secretary Frank C. McVicar of Hartford Accident and Mrs. McVicar were two of the most enthusiastic surf riders, seconded only by Assistant Manager Ray Murphy of the Association of Casualty & Surety Executives, and Mrs. Murphy.

It was a birthday anniversary for Mr. McVicar Sunday and "Big Bill" Calhoun of Milwaukee led the birthday melody in the dining room. It so happened that Mr. Calhoun was celebrating his own natal day.

* * *

Frank R. Bell of Charleston, W. Va., arrived early and was soon bronzed on the golf links.

* * *

Insurance Commissioner Knott of Florida delegated Deputy J. H. Talley to represent the department.

* * *

Vice-president M. J. O'Brien of Fidelity & Casualty and Mrs. O'Brien stopped off at Hollywood after a trip of six weeks which took them to the Pacific Coast.

* * *

Company headquarters were maintained by American Automobile, America Fore, American of Newark, Atlanta Casualty & Surety Association, Central Surety, Chubb & Son, Hartford Fire, Home of New York, London Assurance, Mass. Bonding, National Surety, Pearl Assurance, Royal Indemnity, Standard Ac-

NEW MEXICO

G. T. WATTS

424 White Building
Roswell, N. M.

Representing: General Exchange; Hardware Mutual, State representative Manufacturers & Wholesalers Insurance, Denver. Defense of Insurance Companies in State & Federal Courts.

NORTH DAKOTA

DULLAM & YOUNG

First Natl. Bank Bldg.
Bismarck, N. D.
Many companies represented.

NILLES, OEHLERT & NILLES

504 Black Bldg.
Fargo, N. D.

Continental Casualty Co., Standard Accident Insurance Co., Home Indemnity Co., St. Paul Mercury Indemnity Insurance Co. of N. A. Represent Western Adjustment and Inspection Co. Equipped to handle investigations and adjustments in southern North Dakota.

OHIO

MARSHALL, MELHORN DAVIES, WALL & BLOCH

1022 Spitzer Building
Toledo, Ohio

OKLAHOMA

Rittenhouse, Webster & Rittenhouse

6th Floor—1st National Bank Bldg.
Oklahoma City, Okla.

Specializing in defense fire, surety, casualty and life companies.

CAMPBELL & BIDDISON

Suite 1302 National Bank of Tulsa
Tulsa, Okla.

Harry Campbell
Valley Bldg.
Harry Campbell, Jr.

OREGON

DAVID B. EVANS

220 Miner Bldg.
Eugene, Oregon

Representing: Astoria Group; American Auto; Hartford Accident; Maryland Casualty; Pacific Indemnity; Travelers; U. F. & G. and many others on request. Equipped for investigations, defense of insurance claims in state and federal courts.

HICKS & ADAMS

515 Pacific Building
Portland, Ore.

Equipped for investigations, adjustments, defense trial work in State and Federal Courts for this territory.

PENNSYLVANIA

THORP, BOSTWICK, REED & ARMSTRONG

Grant Building
Pittsburgh, Pa.

Seaboard Surety Co., American Surety Co. (Pittsburgh office), U. S. Fidelity & Guaranty (some cases), others on request. Investigations.

SOUTH CAROLINA

THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building
Columbia, South Carolina

Specializing in Fire, Casualty, Surety and Life. Trial of all cases. Equipped for investigations and adjustments all over South Carolina.

TEXAS

Patterson & Patterson

622-30 Littlefield Building
Austin, Texas

Defense of Insurance Companies in State and Federal courts appearing before all commissions. Investigations and adjustments.

LAW OFFICES DALLAS C. BIGGERS

1718 Republic Bank Bldg.
Dallas, Tex.

Durward D. Mahon
Ralph D. Baker
Chandler Gay
Scott Clark

Investigations—Trial in all courts.

Cantey, Hanger & McMahon

15th Floor, Sinclair Bldg.
Fort Worth, Texas

Samuel B. Cantey
William A. Hanger
Mark McMahon
W. D. Smith

Samuel B. Cantey, Jr.
Alfred McKnight
Gillis A. Johnson
B. K. Hanger

Trial all Courts—Investigations

McGOWN, McGOWN, GODFREY & LOGAN

710-10 Petroleum Bldg.
Fort Worth, Tex.

Geo. Q. McGown
(Retired 1934)
Harry T. McGown
Geo. Q. McGown, Jr.

Bert E. Godfrey
Harry L. Logan, Jr.
John M. Scott, Jr.

TERRELL, DAVIS, HALL & CLEMENS

South Texas Bank Bldg.
San Antonio, Tex.

Representing: Metropolitan Life; Bankers Life of Iowa; Royal Indemnity; London Guarantee & Accident; Globe. Others on request.

UTAH

IRVINE SKEEN & THURMAN

Suite 1501 Walker Bank Bldg.
Salt Lake City, Utah

Representing U. S. F. & G. Others on Request. Investigations, adjustments. Trial defense of Insurance Cases.

UTAH (Cont.)

STEWART, STEWART & PARKINSON

1200 Continental Bank Building
Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

WASHINGTON

BAUSMAN, OLDHAM & JARVIS

1410 Hoge Bldg.
Seattle, Wash.

Representing: Globe Indemnity; Lloyd's of Minneapolis; Bankers Indemnity. Equipped for investigations in this territory.

CALDWELL, LYCETTE & DIAMOND

and John N. Sylvester
2003 Exchange Bldg.
Seattle, Wash.

Representing: National Surety Corp.; Royal Indemnity; Eagle Indemnity; Globe Indemnity; St. Paul Mercury Indemnity; Standard Surety & Casualty; Accident & Casualty of Switzerland.

SKEEL, McKELVY, HENKE, EVENSON & UHLMANN

(Formerly Roberts & Skeel)
INSURANCE BUILDING

E. L. Skeel
W. B. McKelvy
Harry Henke, Jr.
W. E. Evenson
W. Paul Uhlmann
Frank Hunter

Geo. Bevington
O. M. Mose
Frederick V. Bates
Edw. J. Brandmeier
William R. Skeel

SEATTLE

H. EARL DAVIS

301 Sherwood Building
Spokane, Washington

Representing: The Columbia Cas., Ocean Acc. & Guarantee, Royal Indemnity, Eagle Indemnity, Great American Indemnity, American Surety, New York Casualty, U. S. Guarantee, Ohio Casualty Ins., Great Lakes Casualty, Connecticut Indemnity, St. Paul Mercury Indemnity. Equipped to handle investigations and adjustments and all types of insurance trial work.

WISCONSIN

GRELLE & SCHLOTTHAUER

105 Monona Avenue
Madison, Wisconsin

Representing: Lumbermen's Mutual Cas.; American Motorists; Zurich Fire; Zurich General Accid.; Grals Dealers Natl. Mut.; American Indemnity; and many others on request. Adjustments and Investigations also carefully handled.

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

BOUCK, HILTON, KLUWIN & DEMPSEY

First National Bank Building
Oshkosh, Wisconsin

Employers Liability Assurance Co., Ltd., Fidelity & Casualty Co., Employers Mutual, Wausau, Wis., and others on request. Fully equipped to investigate and adjust claims in Oshkosh and surrounding communities.

cident, Stock Company Association of Washington, D. C., Crum & Forster, Zurich, Royal-L. & L. & G., Meserole companies, Corroon & Reynolds, North America, Phoenix of London, London Guarantee, Boston and Old Colony, Southeastern Underwriters Association.

True to form Vice-president J. G. Yost of Fidelity & Deposit and American Bonding had a morning paper delivered to each room. Also the Royal-L. & L. & G. furnished each registrant with one of those useful memorandum books.

The luncheon given by the Sertel-



1000 Rooms at
Rates Advertised

HOTEL GIBSON

Cincinnati's
Largest Hotel

Large, pleasant rooms—
all with bath from \$2.50
...others \$2.75, \$3.00,
\$3.25 etc. to \$5.00. Four
fine restaurants. It is
centrally located on
Fountain Square.

Air-Conditioned Restaurants.
Limited Number of Air-Con-
ditioned Guest Rooms.

H. F. STEVENS, General Manager



North, South, East, West
— all the world finds
welcome in the cordial
atmosphere of Hotel
Radisson. Everything for
your comfort and enjoy-
ment. Air-conditioned
bedrooms — a Tenth
Floor Wing exclusively
for women—the famous
Viking Room, Chateau
Terrace and Lounge
Pierre—air-conditioned
sample rooms — facili-
ties for every type of
gathering from a dinner
foursome to conventions
of a thousand.
Guest rooms with Bath
from \$3.00



QUALITY
SERVICE AND
HOSPITALITY

HOTEL RADISSON
IN DOWNTOWN MINNEAPOLIS

Richard Kitchen Gen. Mgr.

Reducka agency of Miami at the fashion-
able Surf Club, Miami Beach, Sun-
day, was a gay affair, most enjoyable,
with some 75 present. It was a hand-
somerly arranged function.

Commissioner John Sharp Williams of
Mississippi is attending the convention.

Mrs. L. E. English of Richmond, Va.,
whose late husband, a general agent,
often attended the conventions, graced
the Hollywood assemblage and partici-
pated in the social activities.

A. J. Skowrup of Milwaukee, former
Wisconsin state agent of Great American,
who spent the winter in Miami, was a
spectator. He will not return north until
June.

Clem E. Wheeler of Chicago, co-west-
ern manager Hartford Fire, who spent
a month at Ft. Lauderdale, was at the
convention and joined Mrs. Wheeler, who
is still sojourning there.

E. Dana Johnson of Atlanta, southern
manager for W. H. McGee & Co., hob-
nobbed with friends. He has partici-
pated as lecturer in the Florida and
North Carolina insurance schools.

Vice-president Otto Patterson of
American Automobile was accompanied
by Vice-president Carlton Hines and As-
sistant Superintendent of Agents C. S.
Cotsworth.

Ohio has seceded but President T. M.
Geoghegan and Secretary J. F. Schroeder,
Cincinnati Association of Insurance
Agents, were on hand, as were George
W. Neare and Thomas Wood of Cincin-
nati. Mr. Wood was stopping at the Surf
Club, Miami Beach.

Sandusky Insured Loss Set at \$750,000

(CONTINUED FROM PAGE 10)

readily available this week, but the lines
were said to be widely spread among the
major stock companies.

A list of insurance carried and esti-
mated loss on 38 lines was reported by
Western Adjustment. The insurance
totaled \$998,100 and estimated loss was
\$621,550. The list is:

Assured	Insurance Carried	Loss Estimate
Ackley, E. B., Bldg.	\$ 10,000	\$ 10,000
Ackley, E. B., Conts. ..	16,000	16,000
Blackwood, Helen A., Stock	2,500	100
Blackwood, Helen A., F. & F.	500	50
Brenda, Inc., Conts.	2,000	2,000
Cohn, Jay, Bldg.	44,000	44,000
Cohn, Jay, Conts.	11,500	11,500
Cohn, Jay, Rents	6,000	3,000
Federal Systems, Inc., Conts.	12,220	11,000
Feick, Minnie, Bldg.	125,000	2,500
Frankel, Wm. S., Conts..	40,000	40,000
Graefe, Henry and Carl, Bldg.	63,000	63,000
Graefe, Henry and Carl, Rents	6,600	3,300
Haase, Frank H., Conts..	2,000	150
Herb, M. R., Co., Bldg..	173,000	173,000
Herb, M. R., Co., Conts..	115,000	115,000
Herb, M. R., Co., Rents..	10,000	5,000
K. of P. Lodge Co., Bldg.	50,000	500
Kornhauser, Andrew, Conts.	2,000	2,000
Kronthal, Lewis, Bldg..	17,000	300
Kugel Real Estate Co., Bldg.	1,000	100
Kugel Real Estate Co., Bldg.	43,000	1,000
Leitman, Morris, Bldg..	4,000	500
Madison Hosiery, Conts.	3,000	3,000
Market Street Holding Co., Bldg.	82,500	82,500
Co., Rents	10,200	5,000
Martin, F. A., Inc., Conts.	12,500	150
Marweiss Co., Conts.	10,000	10,000
Morgan, Ella J., Bldg..	48,000	500
Nobil, Bertha C., Bldg. ..	8,000	500
Perry & Bretz, Conts.	17,500	500
Rausch, Eugene, Conts..	600	600
Sandusky Newspapers, Inc., Bldg.	10,000	10,000
Savings, Bldg. & Loan Co., Bldg.	17,500	300
Shuman, John G., Conts.	1,000	1,000
Stevens Printing Co., Conts.	2,000	2,000
Stinson, Geo., Conts.	1,000	1,000
Wieland, Jacob, Bldg.	18,000	500
	\$998,100	\$621,550

Pearl on Two Big Losses

Sears, Roebuck department store and
McLellan's store both were written in

the Pearl under reporting forms. The
Underwriters Adjusting is handling the
latter two losses.

The Sears, Roebuck loss, all on con-
tents was estimated about \$50,000, being
total. The McLellan loss, also total,
was estimated at \$25,000 on contents.

There are in addition 20 to 25 smaller
partial losses involving, it is estimated,
total insurance loss of about \$30,000.
The Goldstein millinery store, which
was covered under a blanket policy, also
was reported damaged in the fire.

Underwriters Adjusting assigned two
adjusters from the Cleveland office on
the job immediately and prepared to
send others from other territory. The
Western Adjustment also sent a number
of adjusters.

The buildings occupied by the Herb,
Frankel, McLellan and Sears, Roebuck
stores were owned by the Henry Graefe
estate and the Cohn store and apart-
ments by the Jay Cohn estate.

Large Area of Total Loss

Early reports showed that all the
buildings along Market and Water
streets were practically total losses.
These buildings were gutted, and many
walls fell. The west wind, however, lim-
ited the loss on the other side of the
block, especially along Columbus ave-
nue, where the F. A. Martin restaurant,
Star theater and a number of small
stores, it was said, escaped serious dam-
age. The fire jumped from the Herb
store to the Frankel store, then to Mc-
Lellan's, where it struck the heavy fire
wall of the Sears, Roebuck building.
However, the fire there was transmitted
through the roof and continued down the
block. It was said other fire walls were
burned through. Explosion of stores of
oil, turpentine and paint in the Sears,
Roebuck store added to the conflagra-
tion.

There was heavy glass damage on the
south side of Market street due to re-
flected heat. Burning embers were car-
ried as far east as East Battery Park,
showering on homes and other buildings
there.

It will be several days before the ad-
justers will be able to give precise fig-
ures on individual losses, but early re-
ports were that both buildings and con-
tents on Market street between street
numbers 125-179 and on Water street
between numbers 128-156 are a total loss.

So far as could be ascertained early
this week, no mutual insurance was in-
volved.

Business Development meetings are
being resumed in Kansas, with meet-
ings scheduled for Oberlin April 11 and
Dodge City April 13.

Lloyd Explains New Order on Qualifications

J. A. Lloyd, Ohio insurance superin-
tendent, spoke before the Ohio Fire Un-
derwriters Association at a meeting in
Columbus this week, urging close co-
operation between companies, field men,
agents and the department and a policy
of informing each other when mistakes
are made. He explained the new order
in regard to filing qualification blanks
and said many agents in the state had
not filed such qualifications for years. It
was found a number of agents for whom
license fees were being paid to the state,
had died.

One purpose of the order, he said, was
to bring department records up to date
and eliminate names of those no longer
engaged in the business.

R. S. Tidrick, chairman legislative
committee, said more than 130 bills were
introduced in the present legislative ses-
sion affecting insurance. His commit-
tee is supporting good measures and
opposing those which it considers inimi-
cal.

The next association meeting will be
held at Columbus in May. The usual
July party has been postponed until
August and will be held at Cincinnati
in connection with the meeting of the
Blue Goose grand nest. A new mem-
ber, Walter Millar, Cincinnati, manager
Cincinnati service office, North America,
was admitted. Mr. Millar was until re-
cently assistant manager of the marine
division in the Chicago western depart-
ment.

H. A. Payne Assistant Secretary

NEW YORK—Herbert A. Payne has
been appointed assistant secretary of the
eastern department of Home under the
supervision of Vice-president R. F. Van
Vranken. He has been supervisor in
the department.

Harrington Dismisses Five Men

BOSTON—The purge of surplus em-
ployes in state departments appointed
a year ago by Former Governor Hur-
ley resulted in dismissal of five tempo-
rary examiners in the insurance depart-
ment by Commissioner C. F. J. Har-
rington.

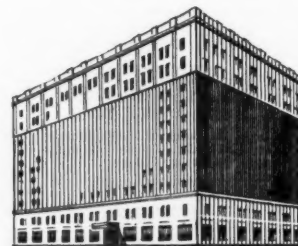
The Associated Agents Committee,
composed of members of southern Cali-
fornia local associations, held its
monthly meeting as guests of the Van
Nuys association. A list of agency ap-
pointments was turned over to the
various local associations for a check-up.

RESIDENTIAL SURROUNDINGS COMMERCIAL LOCATION

300 ROOMS
EACH WITH BATH
FROM \$2

HOTEL FORT WAYNE

In addition to the superior
accommodations at the Fort
Wayne, guests enjoy a superb
location in a residential com-
munity, yet convenient to the
business districts. Hotel Fort
Wayne provides economy with-
out sacrifice of comfort or loca-
tion.



OPPOSITE
MASONIC
TEMPLE

TEMPLE AT CASS

DETROIT



Organized 1875



ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND

111 JOHN STREET
NEW YORK

United States Branch

CONDENSED

STATEMENT

DECEMBER 31, 1938

ADMITTED ASSETS

U. S. Treasury Bonds	\$1,600,823.52
Other Bonds	1,206,532.48
Stocks	96,566.00
Other Assets	466,428.80
Total	\$3,370,350.80

LIABILITIES

Reserves:

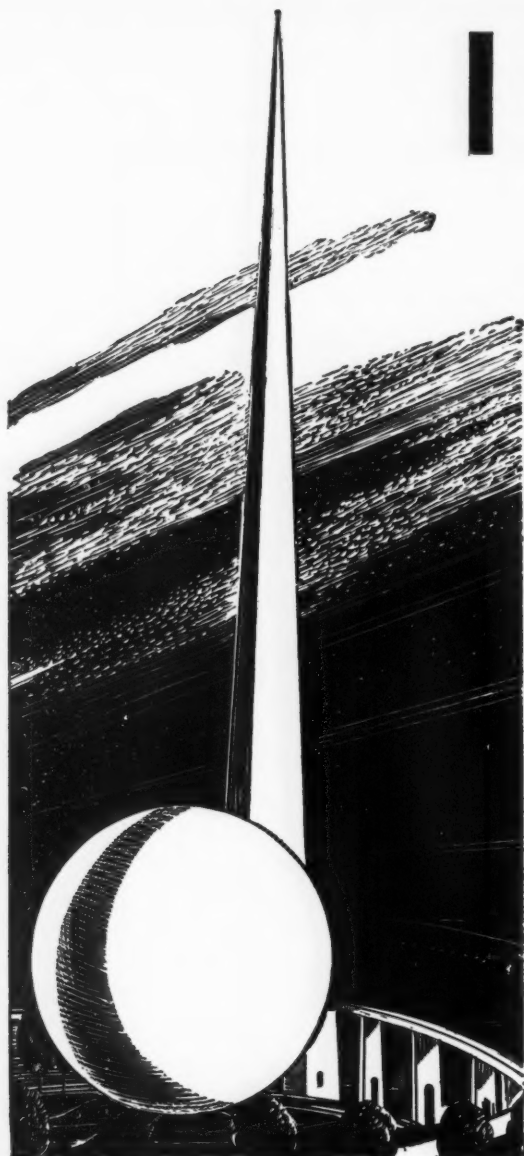
Voluntary Contingency	\$ 224,299.34
Other Liabilities	646,051.46
Statutory Deposit with New York	\$ 850,000.00
Net Surplus over Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
Total	\$3,370,350.80

Bonds and Stocks owned are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in above Statement at \$1,355,063.27 are deposited as required by law.



NEAL BASSETT, U. S. Manager
OGDEN DAVIDSON, U. S. Assistant Manager
CHARLES A. BARKIE, U. S. Assistant Manager
OWEN F. A. HIGGOTT, U. S. Branch Treasurer





IDENTIFIED

with **PROGRESS**

in Insurance

IN this year of two World's Fairs dedicated to scientific and artistic progress, all of us would do well to take stock of progress nearer home. What's new and good about your business? — and how about ours?

In recent months we have been taking stock, finding out what agents and buyers want from an insurance company, trying to improve our service in accordance with that everlasting formula: "find out what they like and give them more of it; find out what they don't like and give them less of it."

We found out a lot of interesting things. Among them is the fact that a competent fieldman

is of utmost importance to good local agents. Not that that was news; it merely reaffirmed our conviction that one of the best things we have to offer is the field staff we've been symbolizing as "Your NF Group Counselor."

Whatever your business problem — and agents' problems cover a lot of territory — *your* NF Group Counselor, the fieldman who serves your community for the companies of The National Fire Group, is equipped and able to help you solve it. That agency-service policy of operating fire and marine insurance companies has always guided us — and we think it will keep us identified with progress in insurance.



Your business will profit by the help of *your* NF Group Counselor. Whatever the problem, he's probably met it somewhere before. Call him in today.



THE NATIONAL FIRE GROUP

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD — TRANSCONTINENTAL INSURANCE COMPANY
MECHANICS & TRADERS INSURANCE COMPANY — FRANKLIN NATIONAL INSURANCE COMPANY of NEW YORK

Home and Administrative Offices: 95 Pearl Street, Hartford, Connecticut

Western Department: 175 West Jackson Boulevard, Chicago — Pacific Department: 234 Bush Street, San Francisco